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Editorial AS WE SEE IT

Barring some development which might give the Kremlin boss an excuse to misbehave again as he did in Paris, the President of the United States and the Soviet chief will shortly meet face-to-face in a sort of half-summit meeting. No negotiations will be undertaken, so it is said, and no agreements on anything are to be expected. No one who has cut his eye-teeth will suppose for a moment that anything that the President may say or do at Vienna will lead imperialist Khrushchev to abandon his ambition to bring the world at large under a communist rule from Moscow. Presumably the President of the United States is well enough aware of this fact, and has other plans for gain from the forthcoming meeting. It is apparently the hope of those who are now conducting our foreign policy — and doubtless of a good many more—that Mr. Khrushchev may be convinced that this "struggle" of the communists, of which he is so fond of speaking, will be a real struggle, that he must expect a vigorous and tireless defense by the non-communist world, and that accordingly he would be wise not to overstep discretion in his aggressiveness.

So much for the Vienna meeting and what it may or may not accomplish. It would be a good thing if we meanwhile came to a full understanding of the real "struggle" that is ahead of us, and of the most effective ways and means of conducting ourselves in it. We need not await the results of the Vienna talks—which we may or may not be able to assess for a good while to come—but had better to begin now to apply all the common sense at our command to the problem. Details are, of course, many and complex. For the most part they are not forseeable. Certain broad principles are, however, plain enough, and it is to our shame that they have not been more widely understood and acted upon. Some of the more obvious (at least to us) and the most vital of them may be easily listed.

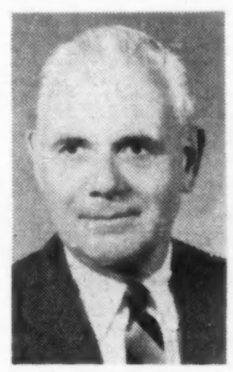
First and foremost, we can not hope to win this contest with communism by imitating (Continued on page 16)

The Success of Our Steel Industry Depends on "Going International"

By Logan T. Johnston,* *President, Armco Steel Corporation, Middletown, Ohio*

The continued success of American steel is tied to investments abroad and not to exports if we are to share in growing foreign steel demand, estimated at 250 million tons greater by 1965, by steel head whose firm already operates in five continents. Our plant and labor force is seen having plenty of work to do in meeting future domestic needs providing imports do not increase. This, Mr. Johnston declares, requires sweeping changes in labor and capital costs, depreciation policies and foreign barriers to restore our international competitive position.

It has been my privilege during the 1961 meeting of our Institute to witness a growing confidence, and to watch it spread to just about everyone concerned. I have heard reports of increased research and broadening horizons, and discussions of new opportunities and new challenges.



L. T. Johnston

We are, in effect, looking to the future of the American steel industry with a new attitude of objectivity. Accordingly, I am going to direct my remarks to further discussion of that future, and to some of its problems and opportunities as they appear to me.

The future is, of course, not an uncommon topic for addresses these days. In fact, so many people are talking about the years ahead—and all-too-often in contradictory terms—that one finds it harder and harder to separate the steel from the slag.

Recently I have heard the world population explosion convincingly called both a blessing and a bane. Our nation's recent economic condition has been variously labeled as a recession . . . a depression . . . an economic plateau . . . and even a prelude to another 1929. Moreover, our standard of living itself is the subject of some dispute, with clever arguments being advanced that it is wasteful and nihilistic.

The sheer volume of such conflicting discussion underlines the difficulties of speculating on the future and leads me to emphasize that I am not approaching these questions, as Mark Twain would say, with "The calm confidence of a Christian with four aces."

On the other hand, none of us can afford—just because of conflicting opinion—to adopt a "wait and see" attitude. The mainstream of progress shifts its path too rapidly for us to rest safely in a tributary. And because of that fact—because those who wait may find themselves high and dry—a frame of reference for the future must be determined now.

A New Frame of Reference

And while I don't claim to have a crystal ball, I think there *is* a sphere that demands looking into . . . by all of us: the sphere on which we live. I believe that the frame of reference for our future —and for the futures of many other industries —must be based upon a *world*, not a national, economy.

The changes that have taken place in the world in the past 15 years—the forces that are working in it today—are, in my view, clear proof that this industry can no longer operate as an entirely *American* enterprise. To do so would be like trying to ignore an elephant in our own living room.

When the United States emerged from World War II, we were the only nation whose industry was not only undamaged, but actually strengthened. We had the good fortune to be able to turn a vast industrial war machine into a vast industrial peacetime machine. We filled our need for civilian goods. We met many of the needs of our allies. We helped friends and former enemies to reweave the fabric of (Continued on page 24)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 32.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

WILBUR H. HOLLY

Vice-President, Sage, Rutty & Co., Inc., Rochester, N. Y.

Goulds Pumps, Inc.

This is the 113th year of operations for Goulds Pumps, Inc., the world's largest exclusive pump manufacturer serving industries, farms and homes. The plant and main office of the company are located in Seneca Falls, New York.

W. H. Holly

Produced and marketed by Goulds Pumps are a complete line of centrifugal pumps for heating, ventilating, irrigation, liquid distribution and many other applications. The chemical and pulp and paper industries are large users of the company's products. These pumps vary in size from a small ¼-inch discharge which will pump one gallon per minute to a much larger pump with a 30-inch discharge, with a capacity of over 50 million gallons per day. The company is also renowned for its shallow and deep well and dual service water systems, as well as rotary, condensate return and reciprocating systems. Engineering and development have played a vital role in the progress of Goulds Pumps. Complete new lines of Jet Water Systems, which cover the requirements of the major portion of the water system market, were introduced in 1957. The new systems were accepted at the distributor, dealer and consumer levels with such enthusiasm that while the total number of water system units shipped by all manufacturers decreased, the company's shipments increased materially.

The company's position as a supplier of pumping equipment to the chemical processing and allied industries has been greatly enhanced by the recent production of glass lined pumps in conjunction with the Pfaudler Permutit company of Rochester, New York. Other lines of pumps of stainless steel construction have materially improved the company's competitive position. Significant of the progress the company has made is the fact that over 85% of the pumps shipped during 1960 have been developed since 1950.

In 1960 sales of Goulds Pumps increased to their best levels in history. Record sales of $15,948,000 produced earnings of $3.62 as compared with 1959 earnings of $3.48 per share. Dividend payments have been ultra-conservative, as can be seen by the following figures:

Year	Earnings Per Share	Dividends Per Share
1956	$2.42	$.50
1957	3.41	.62½
1958	2.64	.75
1959	3.48	1.00
1960	3.62	1.50

The company is in excellent financial condition. As of Dec. 31, 1960 current assets totalled $7,131,000, and current liabilities were in the amount of $2,050,000. The company has no bonded debt. Bank loans totalled $400,000; cash amounted to $675,000. There are 35,741 shares of $20 par 5% preferred, and only 203,480 shares of no par common outstanding.

The expected pick up in the economy could result in another new high in earnings for Goulds this year. In the first three months of 1961 sales were about $100,000 ahead of the first quarter of last year.

Industrial sales of the company are obtainly mainly from sales to the paper industry, chemical industry, petroleum and petro chemical industry. The company was the major supplier of pumps for the Titan Missile Bases. These pumps were required to withstand various shock tests and were made for the most part in ductile iron. The company was able to perfect its technique of making castings of this material which promises to have considerable future industrial usage.

The company has continued the development of new and improved pumps in both the industrial and water systems lines. Particular emphasis was given to the development of submersible units of larger capacities and for wells of greater depths and to the development of an entirely new line of chemical pumps.

The common stock is traded in the Over-the-Counter-Market, and is currently quoted 41 bid, offered at 42½.

HERBERT L. SEEGER

Security Analyst, Bacon, Stevenson & Co., New York City

Members: New York Stock Exchange and American Stock Exchange

New York and Honduras Rosario Mining Company

The growing gap between the world's silver production and consumption (USSR excluded) which, during 1960, resulted in the withdrawal of over 50 million ozs. from the U. S. Treasury's free silver stocks, has focused attention on the probability of increased prices for the metal in the not too distant future. The Treasury's free stock of silver amounted to 123,500,000 ozs. on Dec. 31, 1960 which excludes 13,200,000 ozs of lend-lease silver on hand but not yet verified and 30,500,000 ozs. still outstanding.

Herbert L. Seeger

Since the U. S. Government imposes a 50% tax on profits derived from speculative purchases and sales of the metal by U. S. citizens, it is understandable that interest in the silver "producing" mines has been on the increase. The following description of "New York and Honduras Rosario Mining Co." calls attention to what the writer believes to be the most interesting one in this group.

New York and Honduras Rosario Mining Co. was incorporated in New York in 1880 and several of its present Board of Directors have served continuously for many years.

NYH (which is the symbol of the Company's stock traded on the American Stock Exchange in 50 share units) owns and operates the El Mochito Mine and Mill in Honduras, a silver-gold-lead-and-zinc producer with a daily capacity of 300 tons of ore. Assured ore reserves at Dec. 31, 1960 were 210,284 tons, averaging 39.4 ozs. silver and 0.035 ozs. gold per ton and approximately 7% lead, 8.3% zinc. Probable ore reserves, were 525,521 tons averaging 19.9 ozs. silver, 0.017 ozs. gold, 6% lead, and 8% zinc. Expressed in total ounces, Company's assured and probable reserves contained 18,736,543 ozs. of silver and 16,310 ozs. of gold. Based on 304,000 shares this is equivalent to approximately 60 ozs. of silver per share of stock outstanding and .05 ozs. of gold. In the years 1948-1959 Company produced a total of 18,766,319 ozs. of silver and in 1960 an additional 2,669,629 ozs., or 8.7 ozs. per share of stock outstanding.

NYH owns a 32.34% interest in Neptune Gold Mining Co., a 51.8% subsidiary of American Smelting. Neptune owns and operates a gold-silver mine in Bonanza, Nicaragua with ore reserves of 715,845 tons averaging .34 ozs. gold p.t. During 1960 Neptune milled 285,800 tons of ore which produced bullion containing 79,910 ozs. of gold and 93,435 ozs. of silver. Neptune earned $111,800 in 1961 after providing $40,000 for depreciation and depletion. Dividends of $80,000 were declared of which NYH received $25,800.

Neptune's balance sheet carries its mining properties, which cost $4.2 million, at only $130,000, but shows an earned surplus of $1,784,000. Working Capital was $1.69 million.

It is interesting to note that NYH's balance sheet carried its investment in Neptune at $54,161, whereas NYH's equity in Neptune's net assets amounted to $580,493.

NYH owns 127,696 shares of Campbell Chibougamau Mines Ltd., a Canadian copper producer, and carries this investment at $267,853. Current market for these shares, listed on the American Stock Exchange, is $9.00, or $1,149,000. For fiscal year June 30, 1960, Campbell earned 52.4 cents per share versus 12.2 cents the year before.

In addition, through other affiliates and subsidiaries, NYH is developing a copper deposit in Northern Chile, a large gypsum deposit and the manufacture of wallboard in New Mexico.

Capitalization of NYH is simple and consists of only 304,357 shares of capital stock outstanding, excluding 9,613 shares held in Treasury.

Balance sheet reveals working capital of $2.3 million which includes marketable securities at cost of $.957 million. Market Value of these was $1.3 million on Dec. 31,1960.

In addition, the balance sheet states "Investments and Other Assets" at $1.174 million. These items include the Neptune and Campbell holdings, which are actually worth considerably more.

Using NYH equity in Neptune's assets of $580,493 less the corresponding book value and adding the difference between the carrying value and market value of Campbell and "Other Investments," one arrives at a net asset value approximately as follows:

Net Working Capital per Balance Sheet	$2,334,925
Investments & Other Assets	1,174,133
Equity Neptune excess over book	526,332
Difference Campbell (market vs. book)	881,411
Difference Marketable Securities (market vs. book)	364 449
Total	$5,281,250

Based on 304,000 shares, this is

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

This Week's Forum Participants and Their Selections

Goulds Pumps, Inc.—Wilbur H. Holly, Vice-President, Sage, Rutty & Co., Inc., Rochester, N. Y. (Page 2)

New York & Honduras Rosario Mining Co. — Herbert L. Seeger Security Analysts, Bacon, Stevenson & Co., New York City. (Page 2)

New Tax Proposals Defended By Administration's Expert

By Stanley S. Surrey,* *Assistant Secretary of the Treasury*

Administration's tax expert rebuts critical reception to proposed plan to encourage capital investment and to eliminate credit dividend among other tax-tightening measures. Terming the opposition "genuinely puzzling," Mr. Surrey sums up the plan's provisions; says the Treasury is studying the depreciation question; and states that faster depreciation write-offs this year would be too expensive in lost revenue, and unfeasible from a budgetary and labor acceptance standpoint. In countering proposals made to increase the dividend credit, the Treasury aide insists this would permit top income stockholders to pay less taxes on dividends than other income sources and avers it is absurd to favor a solution to double taxation which makes it better to own a corporate than proprietorship business.

The President's tax proposals have three objectives — to encourage modernization and expansion of American industry, to strengthen our balance of payments position and the ability of American industry to compete internationally, and to correct certain serious defects in our income tax structure. As to the first objective—that of modernization of plant and equipment—the President proposes a tax credit of 15% of the cost of eligible investment. As to the second objective — strengthening our international position—the President proposes to remove tax inducements to investment in Western Europe and other developed countries, with the general objective of removing the income tax disadvantages to investment in the United States as against that in Europe. As for the third objective—the correction of defects—the President's most important recommendations relate to withholding on dividends and interest, repeal of the 4% dividend credit and $50 exclusion, restrictions on deductions for business entertainment, business gifts and expense account travel, and remedial legislation to correct the existing undertaxation of certain institutions competitive with taxable businesses, such as cooperatives and certain mutual organizations in the insurance and savings fields.

These are such simple, clear-cut and desirable changes in our tax system that one wonders how they can even create mild controversy. And yet, we have over 250 witnesses asking to be heard by the House Ways and Means Committee in its current tax hearings. I suppose the only conclusion a casual visitor to our shores could reach is that we are an argumentative people and it really takes very little to stir up a good argument. A more discerning visitor, say one who really took the time to read the President's Message and Secretary Dillon's statement, might be tempted to conclude that a large measure of the argument is based on misconceptions of the President's proposals and either a lack of understanding of the issues or an unwillingness to come to grips with them. As one reporter put it, Secretary Dillon's "two pound book" punctured some of the fondest dreams extant regarding these aspects of our tax system. Let us, therefore, consider the major proposals and the major misconceptions.

As for the investment tax credit, the President and Secretary Dillon stressed the importance to the United States of an increase in investment in plant and equipment. There is a generally recognized need for modernization. There is also a need for increased capacity as our economy recovers and moves toward full employment. Larger investment in productive capacity—plant, equipment, commercial buildings—is thus required to sustain and promote our economic growth. It will also enable us to maintain and improve our worldwide competitive position as an exporter of goods.

Purpose of Tax Credit

So much for the need. The first task is to decide whether a change in the income tax is an appropriate mechanism to promote increased investment compared with other non-tax alternatives, such as a change in the interest rate. If so, the next task is to consider what tax change will provide the greatest incentive with the least cost of revenue. I gather businessmen would approach similar problems in the same fashion—witness any carefully planned bonus plan for employees. The President indicated that in this light the focus must be on the marginal investment—the added investment that a business would like to make but is uncertain about the risk. If a tax incentive could affect this decision and be sufficiently powerful to induce the investment, then the incentive has achieved its purpose. But this in turn means that as far as possible revenue cannot be wasted on the investment that would be made anyway. Such wastage merely reduces the revenue loss that can be devoted to strengthening the incentive in the critical area.

The President recommended a credit against tax of 15% of the cost of new investment in excess of current depreciation allowances. This credit would apply to all eligible investment—plant,

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Public Service of Indiana

By Dr. Ira U. Cobleigh, Enterprise Economist

An appraisal of the shares of a major mid-American electrical utility in a position to reap the benefits of a $230 million six-year expansion program.

With electronic, space age and scientific shares gyrating in their own misty market Shangli-La, and in full flight from the standard criteria by which securities are customarily analyzed, it seems not amiss to revert, from time to time, to more fundamental securities, and the statistical verities respecting them. There must be still among us millions of prudent investors who have found contentment, rising income and market gain from such solidly positioned equities as utility common stocks. For such, today's selection for review—Public Service Co. of Indiana—may prove interesting and perhaps even refreshing.

Public Service Company of Indiana is an impressive corporation providing electric service to 69 of the 92 counties in the state to some 380,000 customers. The cities served include Terra Haute, Kokomo, New Albany, Lafayette, Bloomington and Vincennes. Revenue sources are well balanced with sales 38% to residential customers, 17% commercial, 28% to industry, and the balance to public authorities and other electric power companies. Operating revenues have been increasing at the rate of about 6% a year, and for 1960 were almost $92 million.

Demonstrated Growth

In the perennial market reference to "growth" stock, utilities have been rather neglected simply because they have not grown as fast as IBM, Texas Instruments or Polaroid. Well located utilities have, however, all shown steady, if unspectacular, forward motion and many representative issues have doubled in price and raised their dividends at least twice within the past six years. Public Service of Indiana seems now in an especially favorable position to convert future growth into rising net earnings because of its far-sighted expansion of generating capacity.

To illustrate—total rated generating capacity of the system in 1951 was $586,424 kw. By 1960 this capacity had increased to 1,408,500 kw, and by the end of 1961 it will be about 1,600,000 kw. But another way — PIN (NYSE symbol for the common) spent in 1950-60 decade $393 million on gross plant addition, so that today 80% of its present plant has been in service less than 10 years; and the System now has a generating capacity about 30% greater than peak load.

Because of the magnitude of this expansion plan and the extensive major financing it required, net earnings on the common did not keep pace with the rise in operating revenues. Today, however, with this major construction program virtually completed, the company should require no new financing for at least 3 years, and should deliver substantial additions to net as rising demand employs to the full, this new highly efficient generating equipment.

Favorable Factors

In another respect PIN is favorably situated for the long term future. Indiana is a leading state in the production of bituminous coal and most of these deposits lie in PIN territory. The company itself owns, or leases, extensive coal reserves, guaranteeing a full supply for many years to come. It has chosen, however, to keep these deposits in reserve and to purchase current requirements from others. In 1960 the average cost of coal for its steam generating plants for PIN was 21c per BTU. This compares most favorably with coal costs of other utilities throughout the country.

In still another area the company has been increasing its facilities and expanding for the future. The higher the voltage you can send over transmission lines, the more efficient is the operation. Ten years ago maximum transmission was at 132,000 volts. Today over 400 miles of 230,000 volt lines have been built sluicing the juice between huge generating stations and major load centers with a minimum of power dissipation.

Impact of Rate Increase

Any discussion about utilities should touch upon the rate situation and the regulatory climate prevailing in the state (or states served). In the middle of January of this year, the Public Service Commission of Indiana authorized rate increases which will produce about $5 million in additional revenues, which will convert, after taxes, into approximately $2,360,000 of net operating income. This works out to around 46c a share on the common. Important in this decision is the fact that the Commission granted 96% of the increase requested; and geared its decision to approval of a rate base equal to 5.9% of a fair valuation, namely $420 million as of June 30, 1959.

Customers are increasing faster than population. (Since 1950, population increased 17%, but customers, 25%.) In the industrial category are motor accessory, cement, natural gas, petroleum, chemical, aluminum, steel and wire, coal, paper and plastic companies. Among residential customers even more important than numerical growth is the annual use factor. Residential customers have doubled their individual use of electricity in the past 9 years.

Public Power Threat

One of PIN's customers is Rural Electric Membership Corp. which bought $6,700,000 worth of energy in 1960. That is quite satisfactory. But another facet of REMI is less palatable. The Hoosier Cooperative Energy, Inc., has an application pending with Rural Electrification Administration to borrow $64 million at 2% interest to build a 198,000 kw generating station that would compete with PIN. This is a preposterous proposal. PIN serves the cooperative well and adequately, and pays state, local and Federal taxes. The company, and every sensible and fair-minded citizen, must protest building of a totally unneeded facility on money borrowed at half the rate the government itself has to pay for funds. It is to be hoped that this witless advance of Federal subsidized power will not be permitted.

Even if, by chance, it should come about, PIN would be assured rates returning a fair rate on valuation, which might mean higher charges to its own customers to support this wasteful and socialistic duplication of efficient investor owned power facilities. This project poses no lethal threat to PIN but it should be taken note of, as a matter with possible effects on the future welfare of PIN.

Now about the common stock—it's a substantial quality equity that has paid cash dividends in each year since the company "went public" in 1941. There have been 3 dividend increases in the past four years, and the current indicated rate is $2.20 which, at the present price of 58, yields about 3.8%. On last year's dividend 50% was estimated to be non-taxable as regular income; and a portion of the 1961 dividend payment will also be treated for tax purposes as a return of capital (due to accelerated depreciation). Since 1955, PIN common has ranged between a low of 33⅛ and a high (1961) of 59¾.

Higher Earnings Forecast

The President, Mr. Carroll H. Blanchar, recently predicted per share net of $2.90 for 1961. This equals the 1958 result (when fewer shares were outstanding) and indicates a definite uptrend in earnings from the $2.59 reported last year.

Capital structure is $215 million in debt, $65.5 million in Preferred Stock (including 154,833 shares of 4.8% preferred convertible into 2½ shares of common) and 5,075,599 shares of common. As a seasoned equity in a growing territory, with plant facilities that anticipate future needs, and an improved rate of conversion of gross into net, PIN appears to be a sensible security for investors who don't appreciate, or view with concern, more flamboyant equities.

Kleiner, Bell Co. Opens in Beverly Hills

BEVERLY HILLS, Calif.—Kleiner, Bell & Co. has been formed with offices at 315 South Beverly Drive to engage in a securities business. Partners are Burt Kleiner and Lionel Bell. Both were formerly officers of Cantor, Fitzgerald & Co., Inc.

Lind Opens Branch

ROME, N. Y. — S. J. Lind has opened a branch office at 1701 North James Street under the direction of Dana F. Higgins.

OBSERVATIONS...

BY A. WILFRED MAY

GERMANY'S MONETARY INTENTIONS

The German mark is *not* in for a further upward revaluation, whatever the pressures on sterling or the dollar may be, because the German public has a deep-rooted abhorrence of any "tampering" with the currency — by way of either up- or down-grading. This view was authoritatively expressed in an interview with the writer by Dr. Franz Meyers, Vice-President of the German Bundesrat, who has been in the United States on an extended state visit.

This interpretation of the German public's psychology in seeking the uninterrupted conservation of their money's purchasing power further endorses the precepts of the great French monetary economist, the late Charles Rist as currently re-annunciated posthumously in a most timely new volume, *THE TRIUMPH OF GOLD*, translated from the French and with an introduction by Philip Cortney.[1]

Conforming to the representation that Dr. Meyers' prediction implied no absence of international cooperation, was his further statement agreeing with the impression that the Bonn authorities' recent reduction in the short-term interest rate was effected in order to help us in our balance of payments difficulties with funds kept abroad.

* * *

SPLIT-PERSONALITY DEPARTMENT

EASY - TO - USE GUIDE TO SUCCESSFUL INVESTMENT—A Practical Hand book on Securities, Estate Planning, and Retirement by Carlos S. Mundt,[2] newly come to the reading investors, *how-to* market, has a particularly serious content. Its centers of attention include mutual savings banks, savings and loan associations, U. S. Savings Bonds, effects of compound interest, annuities, and a key section on "Planned Retirement Without Worry."

And, as stated in the foreword, "This book is addressed to those who have faith in the future of their country and are seeking a better understanding of the complexities of present-day finance so that they may lay a solid foundation upon which to erect a financial structure. They can be confident that financial success may be assured with careful planning and self-education. The pages which follow are a step in that direction."

But — as in other such cases, this serious and altogether constructive content is bound with a front cover containing, from top to bottom: a photo of a Specialist's post on the Stock Exchange's trading floor, four strips of ticker tape, and a picture of that magic ticker itself.

This is significant to us, in again showing the assumed investment-speculative *Split Personality* of the public that is being wooed; and the need to spoon-feed it with speculative pap. (A condition which we have suggested, the Exchange authorities can do more to correct.)

"P.S."—The volume's publishers, Grosset & Dunlap, has joined the other book companies publicly offering their "glamor" stock. Offered at 29, two weeks ago it quickly soared to 44, a price 40 times the prospectus-represented *pro forma* earnings-per-share. (A practical demonstration of the public's current method of accomplishing the book's featured goal "How To Accumulate An Investment Fund." But, alas! the issue has now returned to its 29 offering price.)

* * *

FROM OUR MAIL BOX

On Cycling Round the Market

Our column to which our correspondent Mr. Gaubis refers below, "The Major Myth in the Market Tool Chest" (containing excerpts from our talk before the American Statistical Association) cited the long record evidencing the futility of using "outside" events, whether actual or correctly anticipated, as a "tool" for market timing. We listed the major instances of business-to-market divergence (as contrasted with the market's more effective role as an advance indicator of business), in 1917, 1923, in the 1926-1929 "New Era," 1935-'36, 1939-'42, 1946-'49, 1950, 1958, 1960, and 1961. We added that this abortive record constitutes a practical denial of the prevalent concept of the stock market as a ring for betting on business or economic fluctuations.

* * *

Dear Mr. May:

I always enjoy reading "Observations" since I have learned that you are one of the few independent thinkers among the Wall Street professionals or financial writers. In view of your power to influence others in Wall Street, and your own highly ethical standards, I should like

[1] Published by The Philosophical Library, New York (257 pp., $4).

[2] Grosset & Dunlap, N. Y. (76 pp., $1.95).

very much to win you over to the realization that the time factor may well be the missing link in our efforts to understand the stock market and the business cycle.

These thoughts were prompted by your column in the May 18 issue of the *Chronicle*. I refer specifically to your statement that there were certain business-market discrepancies in the bear markets of 1917 and 1923, and in the 1926-1929 "New Era"; as well as in 1935-1936 and the declines which got under way in 1939 and 1946—to say nothing of the decline in 1960.

The Time Cycles

I believe you will find that the record of the time cycles, as first discovered in 1930, and now tested in actual practice for more than 30 years, go a long way to explain the "discrepancies" referred to in "Observations."

There appear to be three overlapping 10-year cycles, with one of these calling for a six to 12 month downward readjustment in the third or fourth year of each decade; another sharp setback in the sixth or seventh year; with the third decline starting late in the ninth year of each decade.

I am quite conscious, of course, that this approach does not have a 100% batting average, but as you know, this is also true of every theory of stock selection, including the one you recommend. Exceptions to this experience have been witnessed, of course, but with the record showing that man-made decisions seem to cushion or exaggerate the cyclical swings but not prevent them altogether—except on rare occasions.

I hasten to add, as I mentioned, in my talk at Midland, Texas, last September, as well as in my subsequent talk before the Foundation for the Study of Cycles that I believe the time factor is only one of of the four or five key considerations which should be taken into account in deciding when it is reasonably safe to work on the assumption that the cyclical trend is likely to be either upward or downward at any given time.

I believe it is always wise to double - check any conclusions drawn from a single approach, such as is represented by these Timing studies. My own experience over the past 35 years suggests that the level of business activity in relationship to long-term growth or "normal," and changes in the supply (and costs) of credit, can be particularly helpful in deciding when to look for the infrequent but always possible exceptions to the Timing indications.

The Monetary Influence

In recent years, the stock market has tended to reach a cyclical peak about six to eight months following the development of a relatively tight money situation, as measured by the disappearance of "free reserves." Business activity has usually begun to slow down shortly thereafter. Conversely, the development of excess or free reserves has been followed by an upturn in the stock market within three or four months, and by the completion of a business readjustment within 12 months. The exact duration of any "leads" between Federal Reserve action and reversals of previous trends in stock prices or business activity will continue to depend, of course, on the extent of the maladjustments in the economy, and on how fast the FRB can move in light of world conditions.

Unfortunately, some people have given the Timing approach a black name as a result of very superficial study, but this does not mean that there is not real merit in this approach.

Very truly yours,

ANTHONY GAUBIS.

Anthony Gaubis & Co.,
Investment Counselors,
New York City,
May 20, 1961.

It seems to us that, in adding that the Cycle Timing method is not always effective, and that it is to be accompanied by other considerations, Mr. Gaubis is going along with the foible of other technicians who say their tool works except when it doesn't—as discovered by hindsight; hence implying that they are really "playing it by ear."—*A. W. M.*

Lewall Associates Opens

BROOKLYN, N. Y. — Leewall Associates, Inc. is conducting a securities business from offices at 2387 Ocean Avenue. Officers are Ronald M. Walerstein, President; Jordan Walerstein, Vice-President; and Michael E. Liebowitz, Secretary-Treasurer.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The current issue of the Cleveland Trust Company's "Business Bulletin" comments in part as follows on the encouraging trends in the nation's economy:

"More signs of improvement have become visible on the business horizon. They make it apparent that the first quarter of 1961 marked the low point of the recession. The upturn in recent weeks has been particularly noticeable in the durable goods industries, which had declined the most during the recession period.

"Steel output has climbed steadily since the middle of March and further gains are indicated for May and June. Passenger automobile output has been stepped up considerably after a poor first quarter. Retail auto sales have increased, accompanied by a sizable reduction in dealers' stocks of new cars. In other consumer durables, signs of betterment are reported by household appliance makers. Total manufacturers' sales, new orders, and unfilled orders moved up in both February and March. The latter month brought a sharp rise in machine tool orders.

"Construction prospects have also improved. The dollar value of all new construction put in place sagged in the first two months but then picked up. Home building, as measured by the number of new housing units started has been in an upward trend since the end of last year. The latest McGraw-Hill survey on business-men's plans for new plant and equipment outlays, released in April, indicates a slight decline in the second quarter but a marked rise for the third and fourth quarters.

"At the consumer end, personal income turned up in March after declining for three months. Sales of all retail stores combined showed increases in February and March. The unemployment situation has improved a little, in that April brought a small decrease in unemployment as a percent of the labor force (after seasonal adjustment). The number of persons reported unemployed fell from 5,705,000 in February to 4,962,000 in April, representing largely a seasonal drop. In manufacturing, average hours worked per week and average weekly earnings have been slowly advancing.

"Based on current trends, the second quarter will show gains over the first three months in both gross national product and industrial production, the two most widely-used measures of general business. Inventory liquidation, the principal drag on GNP during the past several months, has been pretty well completed. Consumer and governmental spending will move up. Total industrial production will probably increase over the first quarter by 3% or more."

Bank Clearings for Week Show a 14.8% Increase Over Same Week Last Year

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, May 20, clearings for all cities of the United States for which it is possible to obtain weekly clearings were 14.8% above those of the corresponding week last year. Our preliminary totals stand at $28,380,965,225 against $24,706,-829,443 for the same week in 1960. Our comparative summary for the leading money centers follows:

Week End. May 27—	(000s Omitted) 1961	1960	%
New York	$15,601,737	$12,734,505	+22.5
Chicago	1,310,049	1,198,335	+ 9.3
Philadelphia	1,148,000	1,125,000	+ 2.0
Boston	833,313	763,901	+ 9.1

Steel Industry Shows Continued Strength

The improvement in steel demand continues. Most strength is being shown in flat-rolled products (automotive sheets, galvanized, and tinplate, and hot-rolled bars. But other products continue to share the gains, the *Iron Age* reports on May 31.

Miscellaneous users, such as farm implement makers, automotive parts suppliers, stampings manufacturers, and forge shops, are all continuing at recent levels. If anything, some are showing increases.

While there is some talk of a dropoff in June, most of it seems to come from the East Coast where the recovery still is not as strong as elsewhere. Even so, the industry appears confident there will be no serious backsliding, the magazine notes.

What's happening is that some steel executives who had to eat their optimistic predictions of a year ago are now more conservative in what they say publicly.

Actually, the *Iron Age* says, these facts are evident:

(1) The increase in steel output is solid. And it will continue well into next year. Some steel companies are receiving orders at the rate of 72 to 74% of capacity.

(2) The summer letdown will be less than many people think. Many steel executives now believe the summer months of July and August will not reflect as great a drop as had been expected only a few weeks ago. And it is possible summer will only bring a temporary leveling off.

(3) The steel inventory situation is now reaching the point where it will be necessary for many steel users to take in more steel.

(4) Many steel companies are building up semi-finished steel stocks to be in a position to continue making fast deliveries.

(5) So far, the possibility of increasing steel prices is just talk. If and when changes are made, they will not be across-the-board.

In all upward swings, business usually comes in at a higher rate than shipments. This is now the case, the national metalworking magazine says. However, it is more in evidence at companies which sell to semi-durable rather than durable goods industries.

Midwest mills are the most optimistic. Automotive orders are still coming in. And the industry is expected to continue placing orders through June—despite that it is rapidly moving toward the phase-out period for 1961 production.

Strong Second Half May Put Year's Steel Output Ahead Of 1960's

A strong second half will push this year's steel output ahead of the 1960 total, *Steel* magazine predicted.

It looks for steelmakers to produce about 45 million ingot tons

Continued on page 26

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

Although the past week has been short on financial working days due to the celebration of Decoration Day and the Monday stock exchange holiday, there has been no shortage of financial and political news nor has there been a lack of financial market fluctuation. Such momentous news diversions as the President's hectic visit to New York and its political implications and overtones; his subsequent take-off and arrival in France for conversations with President deGaulle, which may be as important if not more so than his subsequent discussions with the Russians; the crash of a giant jet airliner near Lisbon with all lost; and the cheering crowds (200,000) at Indianapolis focussed on an international racing event involving record speed; were merely parts of a holiday period continuum that motivated, in part, market changes (even municipals) that transcend the market place, whether it be open or closed.

Scientific Pricing

Since last reporting the market has been formally and actively open for only three days. In the state and municipal bond sphere there has been less market activity than during any weekly period this year. There have been no important or sizable new issues sold since our commentaries last Thursday. Yet the market has been changed and there are measurable differences within the tax-exempt bond framework that have definitely lowered the price average; and all without benefit of listed or generally recorded markets. Moreover, the several price indexes that are weekly struck by various tax-exempt bond market authorities, in somewhat different ways, will generally indicate about the same dollar or yield fluctuations.

Those investors who frequently wonder about the arbitrary methods used in pricing state and municipal bonds, expressed largely through units of yields, may be surer today than ever that pricing is an extremely exact science and variances from the general norm are definitely the exception. Weekly price averages have been most helpful in better organizing and relating state and municipal bonds values. The *Bond Buyer* has been the pioneer in this respect.

Yield Index Higher

The *Commercial and Financial Chronicle's* State and Municipal Bond Yield Index shows the market off about one-quarter of a point since last week. The 20-year high grade bond components of our index, taken at the offered side of the market, average out at a 3.296% yield as of May 31. The week before, May 24, similar offerings averaged out at 3.277% yield. The trend of new issue bidding during this period is an unknown due to the absence of significant offerings. However, it could be safely adjudged as a nebulous negative. Later week developments should establish this as fact.

The *Smith, Barney & Co.* Turnpike Bond Index also showed some market ease when last struck on May 25, at 3.72% average yield. Since then some little further ease may be assumed. On May 18, the previous date of average, the Index stood at 3.70%. In other words the market worsened by about three-eighths of a point. Since most of the toll road bonds were issued as 40-year terms, this fluctuation is relatively half of that as expressed in the 20-year general obligation bond indexes.

As revenues continue to improve for most of our toll highway and bridge projects, and as these closed end issues tend to become scarcer (sinking funds are active for many) their investment desirability becomes broader.

Massachusetts Toll Issue Shaping Up

In this connection there is street talk that negotiations proceed for the floating of $177,000,000 Massachusetts Turnpike Authority (Revenue) term bonds due 2001 by the syndicate headed by F. S. Moseley & Co., The First Boston Corp., Blyth & Co., Inc. and Tripp & Co., Inc. It seems possible that there may evolve an offering involving two or more liens. Thus it could be patterned much like the Mackinac Bridge or Chesapeake Bay Bridge Tunnel issues. The deadline appears to be around July 1.

The state and municipal bond street inventory condition is not good. Although it has increased but little since last week's (May 24) total of $440,846,300, the absence of new issue financing is accountable for this. With $447,609,000 of state and municipal bonds listed by the *Blue List* on May 31, a new high total has been reached for this trend. With a heavy new issue calendar ahead, dealers must realistically appraise demand or run the almost certain risk of market glut such as that experienced a year ago.

"Leading the Horse . . ."

It seems all very well to depend upon the full financial influence of the government to bring about complete and general credit ease and thus, Q. E. D., a better bond market in the future. It is another problem, however, to expect the bond market to follow logically in such a complex transition, to the extent that the trend is progressively upward.

Under present conditions, it is possible that the pursuit of higher bond prices and lower long-term bond rates through the purchase of long governments by the Fed my be largely impractical. The inflationary aspects involved, it would seem, appear too obvious for many of our large institutional investors to follow persistently.

Although the real danger would not seem to be immediate, the credit base so generated would obviously lead to a seriously further excess of dollars to put it mildly. The more consistent five million share days give some slight inkling of how even the smaller fellow is thinking about all this.

Calendar Quite Burdensome

Although the new issue calendar is not staggering in the sense of volume, it is heavy. In relation to heavy inventories and a market level that has stubbornly resisted adjustment, the particularly heavy new issue volume scheduled immediately ahead poses a real problem to dealer price experts. It's fairly obvious that the market needs a few fast deals no matter who the lucky manager is.

Politics as Usual

The commuter tax, involving New Jersey and New York, might well interest state and municipal bond dealers and investors, as well as those taxed and those versed in the law. A commuter tax bill has been signed into law with a variety of politics an important motivation. Even laymen are wondering how a discriminatory tax, labeled as a commuter benefit tax, may be levied against the individual commuter to New York at rates running from 2%-10% of his income earned in New York.

It seems incredible that the State of New Jersey contemplates these means in order to elaborate a transit system to largely replace one stupidly debilitated by oppressive taxation within the state. It's almost time the people called the politicos to account.

Week's Sizable Award

As the press deadline approaches, $7,970,000 City of Fort Worth, Texas, various general obligation bonds (1962-1986) were awarded to a group headed by The Harris Trust and Savings Bank. The 1962-1985 maturities were priced to yield from 1.70% to 3.65%. The 1986 maturity was priced to yield 4.44% bearing a coupon of 1/4%. These prices seem easier than they might have been a week ago. There is no report as yet on investor reception.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	3.60%	3.50%
Connecticut (State)	3¾%	1980–1982	3.40%	3.25%
New Jersey Highway Auth., Gtd.	3%	1978–1980	3.25%	3.15%
New York (State)	3%	1978–1979	3.25%	3.10%
Pennsylvania (State)	3⅜%	1974–1975	3.10%	3.00%
Vermont (State)	3⅛%	1978–1979	3.25%	3.[illegible]
New Housing Auth. (N. Y., N. Y.)	3½%	1977–1980	3.30%	3.25%
Los Angeles, Calif.	3¾%	1978–1980	3.70%	3.55%
Baltimore, Md.	3¼%	1980	3.40%	3.30%
Cincinnati, Ohio	3½%	1980	3.35%	3.25%
New Orleans, La.	3¼%	1979	3.65%	3.50%
Chicago, Ill.	3¼%	1977	3.60%	3.45%
New York City, N. Y.	3%	1980	3.55%	3.45%

May 31, 1961 Index=3.2961%

Joins Morgan Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Oscar G. Olsen has joined the staff of Morgan & Co., 634 South Spring Street, members of the Pacific Coast Stock Exchange. Mr. Olsen was previously with William R. Staats & Co.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

June 1 (Thursday)			
Camden County, New Jersey	1,655,000	1962-1975	2:00 p.m.
Coventry Local Sch. Dist., Ohio	1,025,000	1962-1981	Noon
El Toro Water District, Calif.	1,900,000	1963-1995	10:00 a.m.
Franklin, La.	1,500,000	1963-1981	7:00 p.m.
Huntington Central S. D. 6, N. Y.	1,275,000	1962-1991	2:00 p.m.
Los Alisos Water District, Calif.	1,400,000	1963-1995	10:00 a.m.
Louisiana St. Bond & Bldg. Comm.	14,000,000	1962-1986	11:00 a.m.
Maricopa Co. S. D. 210, Ariz.	3,300,000	1967-1977	11:00 a.m.
Monroe County Water Auth., N. Y.	17,000,000	1965-2001	2:00 p.m.
Moulton-Niguel Water Dist., Calif.	6,700,000	1963-1995	10:00 a.m.
Richland Co. S. D. 1, S. C.	1,500,000	1963-1983	Noon
Sacramento Mun. Util. Dist., Calif.	30,000,000	1966-1999	11:00 a.m.
Swenney Indep. Sch. Dist., Texas	1,000,000	1962-1971	7:30 p.m.
Westfield, Massachusetts	2,225,000	1962-1986	11:00 a.m.
Ysleta Indep. School Dist., Texas	1,000,000	1962-1980	7:30 p.m.
June 2 (Friday)			
Brazoria Co. Road Dist. 35, Texas	1,000,000	1967-1981	10:30 a.m.
June 3 (Saturday)			
Arizona State College	1,000,000	1964-2001	10:00 a.m.
University of Arizona	2,500,000	1963-2000	10:00 a.m.
June 5 (Monday)			
Coachella Valley Col. Dist., Calif.	3,500,000	1964-1986	10:00 a.m.
Indian Hill Vil. S. D., Ohio	1,925,000	1962-1981	Noon
Maricopa Co., Glendale USD, Ariz.	2,900,000	1961-1977	11:00 a.m.
Murray State College, Ky.	1,400,000	1962-1986	11:30 a.m.
Orlando, Florida	4,500,000	1962-1981	1:30 p.m.
University Heights, Ohio	1,000,000	1962-1981	1:30 p.m.
Washoe County, Nev.	2,150,000	1964-1984	10:00 a.m.
June 6 (Tuesday)			
Clifton, New Jersey	2,749,000	1962-1986	8:00 p.m.
Estero Mun. Imp. Dist., Calif.	2,300,000	1961-1986	11:00 a.m.
Milwaukee, Wisconsin	10,000,000	1962-1990	10:30 a.m.
Nassau County, New York	19,731,000	1962-1990	Noon
Newburgh City Sch. Dist., N. Y.	2,232,000	1962-1981	3:30 p.m.
Ohio (State of)	32,000,000	1962-1972	Noon
Phoenix, Arizona	6,000,000	1964-1983	10:00 a.m.
Portland, Maine	1,275,000	1962-1981	Noon
Tamalpais Union High S. D., Calif.	3,000,000	1963-1986	1:00 p.m.
Warren Woods Pub. S. D., Mich.	1,560,000	1963-1987	8:00 p.m.
Waterloo, Iowa	1,000,000	1962-1976	7:30 p.m.
June 7 (Wednesday)			
Cook Co., Wilnette S. D. 39, Ill.	2,250,000	1962-1980	8:00 p.m.
Hamilton, Ohio	1,000,000	1962-1981	Noon
Hempstead U. F. S. D. 23, N. Y.	2,465,000	1962-1991	1:00 p.m.
Madison Metro. Sewer Dist., Wis.	9,000,000	1963-1980	10:00 a.m.
Oshkosh, Wisconsin	3,125,000	1962-1981	11:00 a.m.
Stamford, Conn.	3,4[illegible]6,000	1962-1981	11:00 a.m.
University of Missouri	2,050,000	1964-2001	11:00 a.m.
June 8 (Thursday)			
Albuquerque, New Mexico	4,753,000	1962-1981	10:00 a.m.
Albuquerque Mun. S. D., N. Mex.	3,750,000	1962-1966	10:00 a.m.
Cuyahoga Heights, Ohio	1,125,000	1962-1966	Noon
Howell Township Sch. Dist., N. J.	1,342,000	1962-1980	8:00 p.m.
Middle Township Sch. Dist., N. J.	1,050,000	1962-1982	8:00 p.m.
New York City, New York	60,400,000	1962-1986	11:00 a.m.
Pulaski County Special S. D., Ark.	1,000,000	1961-1974	2:00 p.m.
Santa Clara County, Calif.	20,000,000	1962-1986	11:00 a.m.
June 10 (Saturday)			
Charleston, West Virginia	4,000,000	-------	-------
June 12 (Monday)			
Akron, Ohio	5,000,000	1962-1981	2:00 p.m.
Carlsbad Mun. S. D., N. Mex.	1,100,000	1962-1971	10:00 a.m.
San Francisco, Calif.	11,275,000	1962-1976	10:00 a.m.
June 13 (Tuesday)			
Connecticut (State of)	41,425,000	-------	-------
Denton, Texas	5,200,000	1963-1990	10:30 a.m.
East Brunswick Tp. S. D., N. J.	1,918,000	1962-1978	8:00 p.m.
Florida State Board of Education	6,025,000	-------	-------
Hayward, California	2,250,000	1962-1986	10:00 a.m.
Indianapolis, Indiana	10,000,000	1968-1987	11:00 a.m.
Vancouver, Washington	1,500,000	1962-1979	7:30 p.m.
June 14 (Wednesday)			
Arlington County, Va.	2,847,000	1962-1981	Noon
California (State of)	3,000,000	1966-1986	10:00 a.m.
Harford County, Maryland	4,000,000	1963-1986	11:00 a.m.
Oxnard, California	2,500,000	1991	11:00 a.m.
Springfield, Massachusetts	6,000,000	1962-1981	11:00 a.m.
Willoughby-Eastlake S. D., Ohio	1,200,000	1962-1976	Noon
June 15 (Thursday)			
Brookhaven U. F. S. D. 24, N. Y.	1,665,000	1962-1981	2:00 p.m.
Lake Charles Har. & Ter. Dist., La.	7,000,000	1962-1991	10:00 a.m.
Metropolitan St. Louis S. D., Mo.	3,250,000	1962-1981	11:00 a.m.
Metropolitan Seattle, Wash.	20,000,000	1964-2000	11:00 a.m.
Philadelphia, Pa.	24,957,000	1962-1991	Noon
June 16 (Friday)			
Colorado State University	1,867,000	1964-2001	2:00 p.m.
Greenwood, Miss.	1,600,000	1964-1983	10:00 a.m.
June 17 (Saturday)			
Hamilton County, Tennessee	5,000,000	1962-1981	1:00 p.m.
June 19 (Monday)			
Union Co. Regional H. S. D. 1, N. J.	1,500,000	1962-1990	8:00 p.m.
June 20 (Tuesday)			
Cudahy, Wisconsin	1,285,000	1963-1981	7:30 p.m.
Farmington Sch. Dist., Mich.	1,500,000	-------	-------
Fullerton, Calif.	1,000,000	1962-1981	7:30 p.m.
Hamilton County, Ohio	1,460,000	1962-1981	Noon
Nashville, Tenn.	4,000,000	1963-1990	7:30 p.m.
Norfolk, Va.	7,000,000	-------	-------
Pittsburgh, Pa.	5,220,000	1962-1981	11:00 a.m.
South San Francisco U.S.D., Calif.	1,325,000	-------	-------

Implications of Our Adverse Balance-of-Payments

By G. Walter Woodworth,* *Professor of Finance, University of Illinois, Urbana, Ill.*

Examination of the manifold implications of our balance of payments problem is coupled with suggested curative measures. The writer opines gold commitments on our statute books can still play a useful role in our monetary system even though we have long given up the traditional gold standard. He would amend the Employment Act of 1946 to remove inconsistencies with our gold acts of 1900 and 1934 and add a gold clause stating (1) it is the government's policy to maintain a stable Treasury gold price and (2) the mint price should be changed if it goes out of line with the economic objectives which the author favors and if other measures prove inadequate. The author believes the prevailing view of a serious gold crisis is premature; and that a stable price level is more important than a fixed gold price, but he does not see them necessarily mutually exclusive. Devaluation would be only a last resort to other alternative measures explored by the writer.

Policy-makers in the United States are currently faced with a real dilemma posed by the persistent balance-of-payments deficit and the large outflow of gold since 1957. With the economy in a state of recession and with some evidence of chronic unemployment, expansionary monetary and fiscal policies are called for by the criteria set forth in the Employment Act of 1946. On the other hand, the wisdom of expansionary policies is brought to serious question by the large gold outflow. Protection of gold reserves and maintenance of our present gold dollar, in accordance with the Gold Standard Act of 1934, calls for contractionary rather than expansionary policies.

G. Walter Woodworth

There are, understandably, wide differences of opinion on these important questions. Should overall policies be shaped in one direction, or in the opposite direction? Is there room for a compromise solution somewhere between the two extremes? In fact, current policies fall into the compromise category, although they lean heavily toward expansion. Federal Reserve policies moved from tight money at the beginning of 1960 to relatively easy money after midyear, 1960. Net free reserves have been provided member banks but not in such amounts as to lower market interest rates to the levels of the recessions of 1954 and 1958—when Treasury bill rates fell below 1% as compared with between 2% and 2½% in recent months. The Federal Reserve Bank discount rate was lowered from 4% to 3% in 1960, but it was lowered to 1½% in 1954 and to 1¾% in 1958. Thus, the Federal Reserve has tried to create a financial setting conducive to recovery, and to this end has been willing to face continuation of the gold outflow. But at the same time monetary steps have been restrained for fear that widening interest rate differentials between New York and other international money markets would enlarge the outflow of short-term capital. Likewise, fiscal measures to promote recovery have also been more restrained because of the gold outflow.

The fact is that for the first time since the First World War we have had to face the inconsistencies in Federal laws which set forth criteria for monetary and fiscal policies. Gold flowed to this country during the 20s, 30s, and 40s for various reasons that are well known and need not be recounted. As a consequence, monetary and fiscal policies during this period could be directed toward stabilization and other economic goals without any real restraint from a possible loss of gold.

The foregoing facts point up the leading implication of the balance-of-payments deficit and the gold outflow. It is the long overdue need to rewirte provisions of Federal laws that pertain to economic objectives and to guide lines for monetary and fiscal policies. It is my purpose to state our major peacetime objectives, and to interpret their meaning as applied to the current gold problem.

I. Broad Economic Objectives

Our principal economic goals in [illegible] follows: (1) maximum utilization of economic resources to produce the goods and services demanded by consumers; (2) reasonable stability of production and employment; (3) healthy economic growth as a basis for rising standards of welfare and national strength; (4) stability in the purchasing power of the dollar; and (5) a high order of international economic cooperation — all of these goals to be achieved under conditions of economic and political freedom. This statement implies that private competitive enterprise shall provide the great bulk of goods and services. It also implies that citizens shall determine through freely elected representatives the extent of government services, including welfare, national defense, and the extent and character of government regulation.

A. Objectives Provided by Law

The over-riding legal statement of objectives is set forth in the Employment Act of 1946, as follows:

"The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means . . ., in a manner calculated to foster and promote free competitive enterprise and the general welfare, . . . to promote maximum employment, production, and purchasing power."[1] Nothing is explicity included, it should be noted, with respect to business stability, economic growth, or stability of the price level. These goals have often been read into the law by Federal Reserve and other public officials. This interpretation seems justified in regard to economic stability and growth, but it requires a **tour de force** to include the concept of a stable price level.

The more strictly monetary objectives of Congress are found in the Gold Acts of 1900 and 1934, and in the Federal Reserve Act of 1913, as amended. The Gold Standard Act of 1900 represents a landmark in our financial history since the gold standard was expressly recognized by law for the first time, after a 65-year experience with legal bimetallism and after a heated political struggle between bimetallism and gold during the 1880's and 1890's. The Gold Reserve Act of 1934 is likewise a financial landmark since it laid the groundwork for a return to gold after defaulting in the crisis on March, 1933. In accordance with its provisions, the gold dollar was devalued. The official Treasury price was raised from $20.67 per ounce — where it had stood for a century—to $35 per ounce on Jan. 31, 1934. Since that time the Treasury has stood ready to purchase all gold offered at that price, and to sell gold for the same price. However, the sale of gold was restricted to domestic commercial uses, and to approved foreign governments and central banks.

The Federal Reserve Act, as amended, contains nothing but vague criteria to guide the policies and actions of the monetary authorities. They are instructed to have regard for "the maintenance of sound credit conditions, and the accommodation of commerce, industry, and agriculture"[2], and for other similar generalities. The prescriptions there provided mean different things to different people, and are therefore almost worthless as specific guides. Nothing whatever is said about full use of productive resources, business stability, economic growth, or price-level stability.

II. The Basic Conflict

Few people, including responsible political officials, seem to be aware of the fundamental inconsistency between a true gold standard and what may be labelled a "basic-objectives" standard. Failure to recognize this inconsistency is the root cause of much of the current confusion in regard to proper remedies for the balance-of-payments deficit.

A true international gold standard requires that leading nations define their monetary units as specific weights of gold, and that their treasuries or central banks buy all gold offered at this fixed price and sell all gold demanded at the same price in terms of domestic money. This system provides parity of value between the gold monetary unit and other circulating moneys in each country; it also provides a structure of stable foreign exchange rates among all gold-standard countries. Adjustments for balance-of-payment deficits and surpluses in such a system are made automatically through the influence of inflows and outflows of gold and goods on prices, production, consumption, exports, imports, and capital movements of each of the countries. The rules of the game require that government monetary, fiscal, and other policies facilitate, rather than negate, these processes of adjustment, including the amount of money.

By contrast, a basic objectives standard calls for positive monetary and fiscal management directed to fulfillment of the stated

Continued on page 22

1 Section 2.

2 Section 4, par. 8.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Canadian Business Trends—Bulletin—Equitable Securities Canada Limited, 60 Yonge Street, Toronto 1, Ont., Canada.

Capital Equipment Stocks—Analysis—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are reports on **Celanese, Kansas City Southern, Natural Gas Companies, North American Aviation, Thiokol Chemical Corp., Virginian Railway** and **Western Maryland Railroad.**

Coal Industry—Analysis—In June issue of "Investornews"—**Francis I. du Pont & Co., 1 Wall Street,** New York 5, N. Y. In the same issue are analyses of **National Dairy, Kelsey Hayes, Hunt Foods and Industries, American Water Works, Celanese Corp.** and **National Steel.** Also available is a memorandum on **Metal & Thermit.**

Defense As an Industry—Memorandum—A. G. Becker & Co. Incorporated, 120 South La Salle Street, Chicago 3, Ill.

Double Taxation of Dividends—Discussion in May issue of "The Exchange" — The Exchange, 11 Wall Street, New York 5, N. Y.—**20 cents per copy $1.50 per year.** Also in the same issue is a discussion of **Gillette Company** and data on **Helene Curtis Industries, Inc., Bobbie Brooks, Inc., Foxboro Co.** and **Max Factor & Co.**

Fire Casualty Insurance Stocks — Comparison and analysis of leading stocks — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Gulf American Land Corporation (formerly Gulf Guaranty Land & Title Corp.) — Report — Street & Co., Inc., 44 Wall Street, New York 5, N. Y.

Japanese Market—Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reviews of **Sankyo Company Limited,** and **Kanto Race Club Co., Ltd.**

Japanese Market — Review—Nikko Securities Co., Ltd., 25 Broad Street, New York 4, N. Y. Also available is a report on **Mitsubishi Chemical Industries** and an analysis of 16 Japanese stocks which are ADR candidates.

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available are analyses of **Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited** (electronics); **Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co.** (plastics); **Yokohama Rubber Co.;** and **Showa Oil Co.**

Life Insurance Stock — Comparative figure on 26 companies—J. H. Goddard & Co., Inc., 85 Devonshire Street, Boston 9, Mass. Also available is a bulletin on **Midwestern United Life Insurance Company.**

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Paper Stocks — Review — A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are reports on **Columbian Carbon Co.** and **General Steel Industries.**

Selected Securities — Issues in various categories which appear interesting—E. F. Hutton & Company, 61 Broadway, New York 6, N. Y. Also available are memoranda on **Cooper Tire & Rubber Co.** and **Electrolux Corp.**

Steel—Analysis of outlook—Hornblower & Weeks, 40 Wall Street New York 5, N. Y.

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ACF Industries — Memorandum—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

All American Life & Casualty Company — Statistical study — A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are analyses of **First National Bank of Chicago, Food Machinery and Chemical Corporation** and **Shop Rite Foods,** and a memorandum on the **Motor Carrier Industry.**

Allegheny Power System, Inc.—Annual handbook of financial and operating data—Allegheny Power System Inc., 320 Park Avenue, New York 22, N. Y.

Allis - Chalmers Manufacturing Company — Analysis — Parrish & Co., 40 Wall Street, New York 5, New York.

American Airlines—Report—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

American Home Products — Report—Bache & Co., 36 Wall Street, New York 5, N. Y.

American Potash & Chemical Corp.—Discussion in current issue of "Investor's Reader" — Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York 5, N. Y. Also in the same issue are discussions of **Atlas Chemical Industries, Copeland Refrigeration, Rohr Aircraft Corp., Wickes Corp., Simplicity Pattern Company, United Artists Corp., Standard Financial Corp.** and **Wyandotte Chemicals Corp.**

American Research and Development Corporation—Analysis—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

American Research & Development Corporation—Memorandum —James H. Oliphant & Co., 61 Broadway, New York 6, N. Y.

Arvida Corp. — Memorandum — Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif. Also available are memoranda on **Brush Beryllium Co., Sanborn Co., Tool Research & Engineering Corp.** and **Wells Fargo Bank American Trust Company.**

Bicor Automation—Memorandum —V. S. Wickett & Co., Inc., 99 Wall Street, New York 5, N. Y.

Billups Western Petroleum—Review—Holton, Henderson & Co., 210 West Seventh Street, Los Angeles 14, Calif.

British Oxygen—Memorandum—Penington, Colket & Co., 70 Pine Street, New York 5, N. Y. Also available are memoranda on **American Viscose** and **M. H. Lamston.**

Canadian Superior Oil — Memorandum—First Citizens Corporation, 210 West Seventh Street, Los Angeles 14, Calif.

Certain-Teed Products Corp.—Report—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Charles Bruning Company Inc.—Analysis—William Blair & Company, 135 South La Salle Street, Chicago 3, Ill.

Chemetron Corp. — Survey — Shields & Company, 44 Wall Street, New York 5, N. Y. Also available are surveys of **Controls Co. of America** and **Edo Corp.**

Chrysler Corp. — Memorandum — B. C. Christopher & Co., Board of Trade Building, Kansas City 5, Missouri.

Coca Cola Bottling Company of New York — Review — Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews of **Rexall Drug and Chemical** and **Fruehauf Trailer** and a report on Tax-Free Dividends of Utility and Investment Companies.

Combustion Engineering — Report Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available is a technical analysis of **Chrysler Corporation.**

Dow Chemical — Memorandum — Joseph Mayr & Company, 50 Broad Street, New York 4, N. Y.

du Pont-General Motors Case—Discussion — Hemphill, Noyes & Co., 15 Broad Street, New York 5, New York.

Delhi Taylor Oil Corp. —Analysis —Hallgarten & Co., 44 Wall St., New York 5, N. Y.

Firestone Tire & Rubber Company—Analysis—Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y. Also available is an analysis of **Great Western Sugar Co.**

Ford Motor Company—Report—E. F. Hutton & Company, 7616 Girard Avenue, La Jolla, Calif.

General Devices, Inc.—Analysis—Hess, Grant & Remington, Inc., 123 South Broad Street, Philadelphia 9, Pa.

Globe Union, Inc. — Analysis — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **Occidental Petroleum Corp.**

Insurance Corporation of America —Report—Robert M. Harris & Co., Inc., 6 Penn Center Plaza, Philadelphia 3, Pa.

International Business Machines—Discussion—Stearns & Co., 80 Pine Street, New York 5, N. Y. Also available is a discussion of **Plant Industries.**

International Harvester Company —Analysis—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Kerr McGee Oil Industries, Inc.—Analysis — Bache & Co., 36 Wall Street, New York 5, N. Y. Also available are chart analyses of **Eastern Airlines** and **American Metal Climax.**

Lestoil Products Inc. — Report — Charles A. Taggart & Co., Inc., 1516 Locust Street, Philadelphia 2, Pennsylvania.

Manhattan Shirt Company — Analysis—Hill, Darlington & Grimm, 2 Broadway, New York 4, New York.

Maremont Corporation — Analytical brochure—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available are analyses of **Botany Industries, Celanese Corp. of America, Crouse Hinds Company** and **New York Air Brake Company.**

Missile Systems Corp.—Bulletin—Taylor, Bergen & Co., 639 South Spring Street, Los Angeles 14, Calif.

Mississippi River Fuel Corp.—Report—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y. Also available is a report on **Standard Kollsman.**

Nekoosa Edwards Paper Company —Review—Loewi & Co. Incorporated, 225 East Mason Street, Milwaukee 2, Wis. Also available is a report on **Harvey Aluminum.**

Chas. Pfizer & Co. — Report — Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

Provident Life & Accident Insurance — Memorandum — Equitable Securities Corporation, 322 Union Street, Nashville 3, Tenn. Also available are memoranda on **Commonwealth Life Insurance** and **Gulf Life Insurance.**

Republic Corporation—Analysis—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available is an analysis of **E. W. Bliss Company** and reports on **Family Finance Corp., Ohio Oil Company, P. R. Mallory & Co. Inc., Pepsi Cola, Columbus & Southern Ohio Electric, Louisville & Nashville Railroad,** and **American Broadcasting Paramount Theatres.**

Republic of Peru—Memorandum —White, Weld & Co., 20 Broad Street, New York 5, N. Y.

Sabre Pinon — Memorandum — Hardy & Co., 30 Broad Street, New York 4, N. Y.

O. M. Scott & Sons Company — Analysis — The First Columbus Corporation, 52 East Gay Street, Columbus 15, Ohio.

Scovill Manufacturing — Discussion in June "Investment Letter" —Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also in the same issue are data on **Texas Eastern Transmission** and **Providence Gas.**

Sealed Power Corporation—Analysis—A. G. Becker & Co., Incorporated, 60 Broadway, New York 4, N. Y.

Suburban Propane Gas—Analysis —Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

Technicolor Ltd.—Bulletin—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y.

West Virginia Pulp & Paper—Report — E. F. Hutton & Company, 7616 Girard Avenue, La Jolla, Calif.

With Eppler, Guerin

DALLAS, Texas—Eppler, Guerin & Turner, Inc., Fidelity Union Tower, member of the New York Stock Exchange, has added James R. Hudson to its research department staff.

With Jones, Cosgrove

(Special to THE FINANCIAL CHRONICLE)

PASADENA, Calif. — Stephen H. Tusler has become connected with Jones, Cosgrove & Miller, 81 South Euclid Avenue, members of the Pacific Coast Stock Exchange. Mr. Tusler was formerly with Paine, Webber, Jackson & Curtis.

What Are the Chances for Britain to Join the E.C.M.?

By Paul Einzig

Delineated are the known and the not too well known obstacles to Britain's joining the E. C. M. One includes the suspicion that the U. S. A. is pressuring Macmillan to join in the hopes it will cause Canada to leave the Commonwealth. This stems from the accusation by some London quarters that we are still fighting the War of Independence even at the cost of weakening the anti-Communist front of the Free World. The press and liberals of all parties in Britain are said to favor joining the E. C. M. but only a major international crisis is expected to overcome the difficulties leading to such a step.

LONDON, England—Ever since Mr. Macmillan's visit to President Kennedy there has been much speculation about the possibility of an early British decision to join the European Common Market. Indeed, from time to time rumors that the Cabinet has actually decided to make the move have come into circulation. To anyone who is even moderately well informed such rumors must appear obviously premature. The only condition in which Britain could join the Common Market without prolonged preliminary negotiations would be if the Government were prepared to sign on the dotted line of the Rome Treaty, which is clearly out of the question. In the course of a recent parliamentary debate, and also in other public statements, Ministerial spokesmen repeated to boredom the familiar formula that Britain could only join the Common Market on conditions which would provide adequate safeguards to the interests of the European Free Trade Association, British agriculture and the Commonwealth. Mr. Macmillan and his colleagues in the government have firmly committed themselves to that undertaking. In this respect the situation is precisely the same as it has been during the past three years.

In order to be able to secure safeguards it would be necessary to overcome the opposition of France and, to a much less extent, of other countries of the Common Market. While it is conceivable that President Kennedy may be able to persuade President de Gaulle to modify his hitherto unbending attitude, it will be no easy matter to arrive at a compromise which would be acceptable to France and at the same time it would also be acceptable to Britain's partners in the E. F. T. A. and in the Commonwealth and to British agricultural interests. Exchanges of views with France on an official level have hardly begun yet, and the gap between the British and French points of view remains very wide.

E. F. T. A.'s Stumbling Block

The British Government repeatedly promised the E. F. T. A. countries not to abandon them, so that any agreement would have to cover all the eight countries individually or the E. F. T. A. as a group. The main difficulty about this lies in the determination of four members of the E. F. T. A. not to depart from their political neutrality. There can be no question of Switzerland, Austria, Sweden or Finland being party to any arrangement which could be interpreted in Moscow as an anti-Communist alliance. And it is quite certain that any arrangements under which the governments of these countries would relinquish any essential part of their sovereignty in favor of the central organizations of the Common Market would be looked upon in Moscow in such a light.

Even from a purely economic point of view the admission of the E. F. T. A. countries individually or collectively might encounter major difficulties. To mention only one, Finland which is now a member of the E. F. T. A. recently concluded an agreement with the Soviet Union providing for the free admission of each other's goods. This arrangement alone would rule out the application of a uniform external tariff. It does not conflict with the Stockholm Treaty of the E. F. T. A. under which members of that organization are entitled to retain their respective external tariffs and safeguard themselves against dumping through low tariff countries by a system of certificates of origin. France and other members of the Common Market never trusted that solution and their attitude in this respect has always been one of the main obstacles to a rapprochement between the Free Trade Association and the Common Market. Among other reasons it is feared that those engaged in dumping would find no difficulty in securing phoney certificates of origin through bribing the officials concerned.

Other Conflicts

Difficulties in respect of the conciliation of conflicting interests of the British Commonwealth and the Common Market are also very substantial. To give only one instance, it is inconceivable that France would agree to the continued duty-free admission of Canadian wheat to Britain, and it is equally inconceivable that any British Government would ever agree to the imposition of a duty on Canadian wheat imports while admitting wheat from the continent either duty free or at a preferential rate. Political circles in Britain are convinced that any such arrangement would induce Canada to sever its connection with the Commonwealth. There is a growing suspicion in London that this is precisely one of the reasons why Mr. Macmillan is being pressed by President Kennedy to join the Common Market. Unfortunately the American attitude in this respect is in fact giving rise to a growing anti-American feeling in exactly those quarters which are traditionally pro-American.

It is felt in Conservative circles that the President and the Department of State are some 180 years behind the times—they are still fighting the War of Independence, their chief aim being the liquidation of what is left of the British Commonwealth even at the cost of weakening thereby the anti-Communist front of the Free World. Distorted and exaggerated as this view may appear to Americans, in the interest of friendly Anglo-American relations they ought to realize that any evidence of American pressure on Britain to join the Common Market is liable to be interpreted in such a sense.

Last, but by no means least, British agricultural interests carry sufficient weight in the Conservative party to make it politically difficult for the government to make major concessions to France at their expense. Nor is the agricultural lobby alone in bringing political pressure on the government against giving way to American pressure. The Socialist Opposition is becoming increasingly hostile to the idea of joining the Common Market, for fear of increased competition in the sphere of industries working at a relatively high cost. But then that is precisely the main advantage of the proposed customs union which would enable each member country to concentrate on the production of the goods which they can produce at a low cost. This would not suit the interests of industries working at a high cost so that the idea of joining the Common Market is strongly opposed by both employers and employees in such industries.

It is true, industries working at a low cost which would derive benefit from the change, are pressing the government to make the change. On balance, however, pressure against it is more vocal than pressure in its favor, even though the idea of joining the Common Market is powerfully supported by liberals of all parties and by a very substantial proportion of the press.

Taking everything into account it seems probable that the negotiations leading to an acceptable compromise will be both difficult and prolonged. Their outcome cannot be taken for granted unless there should be a major international political crisis, in which case all parties would hasten to make concessions, in order to be able to present a united anti-Communist front.

Vanden Broeck, Lieber & Co.

Alfred L. Vanden Broeck & Co., members of the New York and American Stock Exchanges, has announced a change in the firm's name to Vanden Broeck, Lieber & Co., with new and larger quarters at 125 Maiden Lane, New York. The firm was previously located at 55 Liberty Street.

Auchincloss, Parker Names George Walsh, Jr.

Auchincloss, Parker & Redpath, members of the New York Stock Exchange, announced that George C. Walsh, Jr. has been appointed manager of the firm's 41 East 42nd St., New York City, office.

Mr. Walsh, who has been associated with Auchincloss, Parker & Redpath as a registered representative since June, 1958, entered the investment field in 1953 with Cosgrove, Miller & Whitehead.

Neidig Receives Chemical Award

The Chemical Market Research Association has presented C. P. Neidig, a partner of White, Weld & Co., with its 1961 Memorial Award. The award was given to the former chemical engineer for his contributions to the chemical industry, particularly his work in developing the role of chemical market research.

C. P. Neidig

In accepting the award, Mr. Neidig spoke on the chemical industry from the professional investor's point of view. He discussed the present attitude of professional investors toward chemical stocks and the role which chemical companies market research departments can play in increasing the industry's profit margins.

Gianis & Co. Formed in N. Y. C.

S. George Gianis, formerly with Myron A. Lomasney & Co., has started an investment brokerage business under the name of Gianis & Co., Incorporated, at 44 Wall Street, New York. The firm, which will serve as underwriter, dealer and broker, is a member of the National Association of Securities Dealers, Inc.

Mr. Gianis, who is a director of Milo Electronics, Crosby Teletronics and the Lee Filter Corp., is President of the new company. David Treherne-Thomas, and Egmont Cronau, both formerly with Myron A. Lomasney & Co., are Vice-Presidents. Reginald Muhlbauer, formerly of the accounting department of the American Cyanamid Co., is office manager.

New Birr Branch

PALO ALTO, Calif.—Birr & Co. Inc. has opened a branch office at 499 Hamilton Avenue, under the direction of George S. Smith.

Los Angeles Bond Club Outing

LOS ANGELES, Calif.—The Bond Club of Los Angeles will hold its annual field day on Friday, June 2, at the Oakmont Country Club in Glendale. Field Day Chairman Donald M. Wright, of Paine, Webber, Jackson & Curtis, has announced. Beginning at 8:30 a. m., when golfers tee off for their tournament, members will participate in a full schedule of field day activities, concluding with a dinner for the membership.

Bond Club committeemen assisting in preparations for the field day included: Edmund M. Adams, of Crowell, Weedon & Co.; Charles W. Cox, of Weeden & Co.; Charles C. Gingham, of William Street Sales Inc.; Peter J. Eichler of Bateman, Eichler & Co.; Paul W. Waterman, Jr., of Security First National Bank; John M. Bush, of Dean Witter & Co.; George E. Jones, Jr., of Mitchum, Jones & Templeton; Charles F. Sill, of William R. Staats & Co.; Lawrence M. Tilton, of Vance, Sanders & Co.; Roland Wack, of Lord Abbett & Co.; William Patterson, of United California Bank; William T. Walker, Jr., of William R. Staats & Co.; Allerton H. Jeffries, of Jeffries Banknote Co., and David C. Pearson, of Eastman Dillon, Union Securities & Co.

Scudder, Stevens Admits Three

BOSTON, Mass.—The admission of three general partners has been announced by Scudder, Stevens & Clark, 10 Post Office Square.

The new partners are Edward L. Emerson and W. Russell Peabody in the Boston office, and Q. A. Shaw McKean, Jr. in New York.

At the same time it was announced that Winslow Lewis, formerly a general partner, has become a limited partner.

Stanton-Lewis Branch

GROTON, Conn.—Stanton-Lewis and Company has opened a branch office in the Taylor Building under the direction of William E. Sylvester, Jr.

Bond Market Vagaries and The Institutional Investor

By Sidney Homer,* Partner, Salomon Brothers & Hutzler, New York City

Bond portfolio managers are reminded of the many sweeping changes in yields and price, which characterize the bond market as a whole and each of its components, and which constantly afford investment opportunities and risks. Moreover, they are reviewed on principles to follow in exploiting this market's dynamics. Giant funds may feel themselves frozen in their portfolios, Mr. Homer points out, but small and medium size pension funds have a golden opportunity to exploit advantageously market distortions even in the best grades of long-term bonds. Emphasized are flexibility and shiftability of selections; and de-emphasized is capital gain at the expense of acquiring good values and disposing of poor ones.

During the last decade we have all become familiar with the sharp cyclical swings of the bond market. These have usually lasted one to three years and covered 10 to 20 points in price. Since 1946 the history of a prime long-term corporate bond price index has been as follows: —10% +6%; —16% +9%; —24% +11%; —18% +10%. More fundamental have been the great secular fluctuations in the prices and yields of prime long-term bonds. They have usually lasted several decades. Chart I shows these great fluctuations in terms of annual averages back to 1900. Since the yields in the chart are inverted, the lines rise when prices are rising and fall when prices are falling. The solid line represents the yields and prices of an index of prime 30-year corporate bonds and the dotted line represents the yields and prices of an index of prime 30-year municipal bonds. Municipals should be of little interest to trust funds but by tradition they are.

Sidney Homer

We see in the chart three great secular fluctuations: the first bear bond market from 1900 to 1920, the great bull bond market from 1920 to 1946 and the second bear bond market from 1946 to 1960 and perhaps beyond. This second bear bond market has been the largest in the financial history of the United States. The corporate bond price index declined 37% in 14 years and the municipal bond price index declined 50%. Yields moved from the lowest in this century in 1946 to a historically very high level in 1959. At the extreme highs of 1959-60 corporate bond yields were exceeded by annual average yields in only two out of the last 80 years.

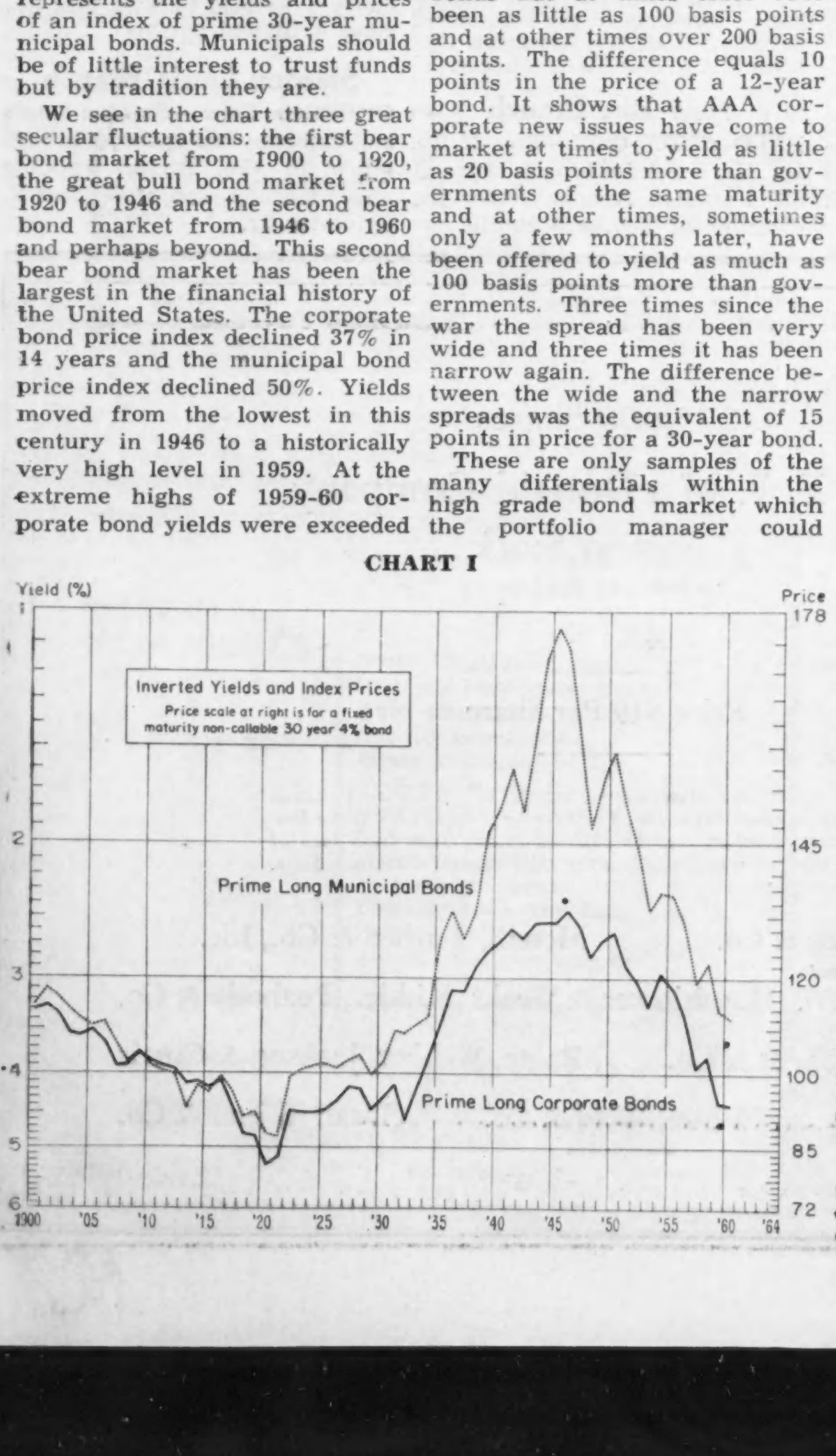
Prices Also Rise

While our recent experience has largely been with bear bond markets, the chart reminds us that bond prices have not always declined. In fact, over the long history of this high-grade bond market prices have advanced more often and further than they have declined. During the great 25-year bull bond market of 1921-46 the prices of many representative prime corporate and municipal bonds doubled. For two decades every one of the many temporary cyclical market declines was just one more opportunity to buy at better yields than would again be available for one or several decades.

These bond market averages, however, tell only part of the story of this market's dynamics. Equally important are the constant changes in its internal structure. These can be measured by the yields differentials between one type of investment and another. Chart II measures only three of many such spreads. It shows that the spread between FHA mortgages and government bonds has at times since 1946 been as little as 100 basis points and at other times over 200 basis points. The difference equals 10 points in the price of a 12-year bond. It shows that AAA corporate new issues have come to market at times to yield as little as 20 basis points more than governments of the same maturity and at other times, sometimes only a few months later, have been offered to yield as much as 100 basis points more than governments. Three times since the war the spread has been very wide and three times it has been narrow again. The difference between the wide and the narrow spreads was the equivalent of 15 points in price for a 30-year bond.

These are only samples of the many differentials within the high grade bond market which the portfolio manager could profitably follow; others are for example (1) Seasoned discount corporate bond yields vs. new issue yields, sometimes 0 sometimes 100 basis points. (2) AAA's vs. A's. (3) Medium maturities vs. long maturities: only a year ago 10 year government bonds sold to yield 20 basis points more than 30 year discount corporate bonds, today they yield 65 basis points less. (4) Shorts vs. longs. (5) Convertible bonds vs. non-convertible bonds. (6) Private placements vs. public marketable issues. (7) Industrials or finance bonds vs. public utility bonds. (8) Call protected new issues vs. callable new issues.

CHART I



Price Divergence

I have yet to mention the one most important variable: the pricing of individual issues. High grade long term bonds are apt to seem so much alike that we are surprised when we examine their price and yield histories and see how differently many fluctuate from the averages and how different the yields have often been at the same time. Chart III shows the price history of just two new corporate issues which came out in 1957 and the simultaneous price history of the prime market average. The Telephone 5s two years after issuance were up 5 points from issue price when the market for similarly rated utility bonds was down 5 points from issue date. Not only did the purchaser of this favored issue find his market performance far better than the average but he obtained more than 50 basis points higher yield than if he had bought the averages.

What are the practical applications of these examples of bond market dynamics to the manager of the bond portfolio of a pension fund or retirement fund? Space will permit me to mention only a few of many. To start off with a generality, once we fully recognize that sweeping changes in yield and price are characteristic of this market as a whole and of each of its component parts, we should be able to seek and find ways to turn these dynamics to our advantage. These great fluctuations are a hardship principally to the investor who hides his head in the sand by seeking to minimize the dynamics of the bond market, or tries to average them away by buying a little of everything or ignores changes in prices and yields because eventually all good bonds are paid off. These dynamics are entirely unavoidable.

The final refuge, the portfolio consisting entirely of treasury bills, turns out to be the most dynamic of all portfolios: its market value does not change but the income it produces may be 5% one year and 1% the next. Our choice then is a choice of dynamics with no escape. All investing is risk taking and investing in high grade bonds is no exception.

Guidelines for the Portfolio Manager

I shall now try to mention some of the principles I have found useful as a former institutional portfolio manager in exploiting the dynamics of the bond market. In doing so I shall skip over the basic rules of portfolio management such as quality selection, diversification, balance, maximum yield and growth although they are of overriding importance.

The great secular fluctuations in the level of bond yields may be treated as unpredictable. History teaches us that they will recur: there will be decades when yields rise most of the time and decades when yields fall most of the time. As a rule of thumb, 5% for best long taxable bonds is historically a very high yield and 2½% is a very low yield.

The practical application is this: when yields are historically high or very high, the portfolio should emphasize not the highest yields but the longest maturities featured, preferably deep discount or non-callable bonds or bonds with call protection of not less than 10 years. Higher than average yields with short maturities or bad call features should be avoided. It is in low markets that temporary investments usually yield much more than permanent investments. For growth fund like retirement funds which are faced with no risk of liquidation, continuity of good yield is a greater benefit than temporary high yield.

As markets rise to higher levels and lower yields, the principles of bond selection should gradually shift. Less emphasis need be placed on continuity of yield and more on relatively high yield even though these higher yielding bonds might be called away. Five year call protection in a 4¼% market is probably good enough and no call protection at all in a 3¾% market provided the call risk is rewarded by higher than average yields.

In very high markets it will always be very hard to invest bond money well. Full principal protection requires undue yield sacrifice. The risk of call however should be taken to get yield. Mortgages because of early repayment are often the best media in very high markets and the worst in very low markets. Some funds can afford to hold a moderate proportion of short or medium maturities. Usually convertible bonds are very attractive when bond yields are very low.

Don't Attempt to Beat Cyclical Swings

The shorter term cyclical fluctuations in the market as a whole are more predictable and less important. Every few years we can expect a reversal of market trend and a shift in yields down or up by 100 basis points or so. It is not at all necessary to attempt to call the turn in order to obtain substantial advantage from these fluctuations. If buying programs become increasingly aggressive as prices decline and increasingly defensive as prices rise, they will average out far better than evenly spaced programs which are the same at every point in the cycle.

The internal relationships within the market are even easier to exploit to the advantage of institutional funds. In years like 1957 an extraordinary volume of corporate bond financing raised the yields of all corporate new issues far above the yields of seasoned corporates and of governments and also forced favorable call protection. This distortion, clearly visible in the charts, suggested that call protected new issues were so outstandingly attractive that they should be bought not only with all new bond funds but that the portfolio should be canvassed and switches arranged from old into new issues.

At times of light financing the spread between new issues of corporate bonds and old issues has been zero and the spread between new corporate issues and governments has been nominal. At such times governments are usually the most attractive buys not only with new money but from switches out of corporates at a nominal loss in yield. Such switches can almost certainly be reversed in a few years at a large net yield advantage, much larger than if the portfolio had been left intact.

Virtues of Convertible Bonds

At still other times discount corporate bonds are more attractive than new issues. At other times FHA mortgages are the outstanding attraction. This is true especially in periods like early 1958 when the yield spread is maximum and a higher market makes the prospective money flow from the mortgages desirable. At other times such as five or six years ago, high-grade convertible bonds were available at close to the same yields as non-convertible bonds and as such were outstandingly attractive and deserved

CHART II
Yield Spreads from Governments

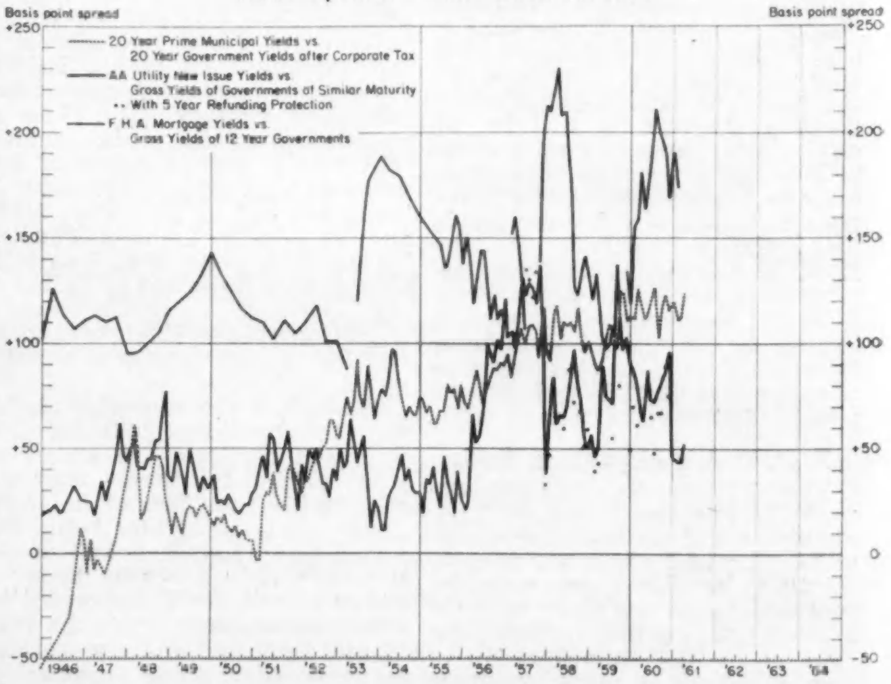
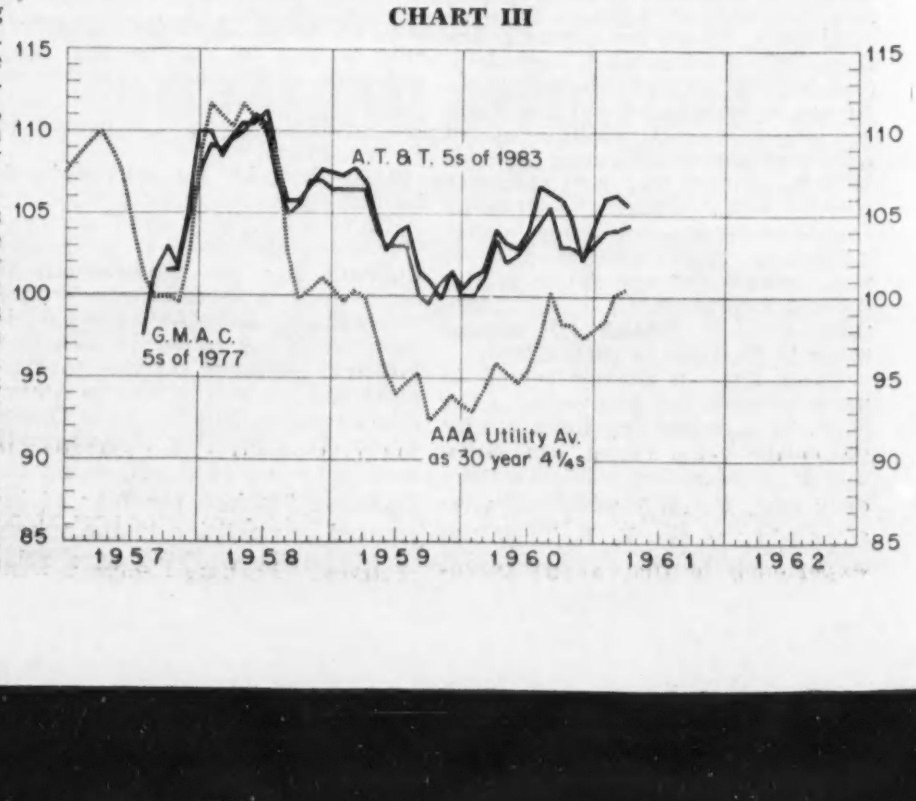


CHART III



not only purchase with cash but from portfolio switches.

I do not argue this from hindsight. Whatever the future of the stock market may be, long term options on high grade stocks procurable at nominal cost, let us say 20% a year offer far more opportunity than risk. At still offer frequent opportunities for bonds have been more attractive than longs or shorts usually because of temporary market distortions. At times non-marketable private placements are offered in such volume that they sell to yield far more than marketable issues and are very attractive. Often however the yield advantage, quality for quality, of private placements has not been large enough to compensate for the loss of marketability.

I stress marketability because the dynamics of the bond market offers frequent opportunities for advantageous portfolio changes. I am not talking about trading, which is inappropriate for investment funds of municipal finance officers. Realized capital gains, too, are of no advantage. Every bond purchase should be suitable to hold to maturity. However, it is by no means advisable to hold every bond purchased or even most of them to maturity. I am talking about simple common sense improvements which are frequently made possible by the queer distortions which every now and then twist the bond market out of a normal and reasonable shape. The most attractive issues of 1957 often sold in 1959 and 1960 at prices where they were far less attractive than other available bonds; they did too well relative to the market.

Switching Desirable at Times

If an outstandingly attractive block of bonds is offered either in the new issue market or the secondary market, purchase should not depend on whether or not new cash or shorts is available. A diversified portfolio is almost sure to hold several blocks of bonds that are less attractively priced in the market and can be switched to advantage. I can scarcely remember reviewing a diversified portfolio of corporate bonds that could not be materially improved at least a dozen times a year.

In discussing switches, I am not talking about refinements or minor advantages, I am referring to major gains in immediate or eventual yield without sacrifice in quality. Almost every year certain issues and departments of the market are relatively very attractive, weighing together many future contingencies, while other issues and departments of the market are correspondingly less attractive or unattractive. In the dynamically managed portfolio, funds are gradually and constantly being shifted from the least attractive to the most attractive areas and issues. The problem is not only the investment of new funds but the constant gradual renovation and updating of the entire bond portfolios.

Two objections may occur: (1) Is the secondary market good enough to permit switches of blocks of bonds which seem to be quoted too high? And (2), with so many great public and private institutions always operating in the market and investing billions a year, how is it possible for severe distortions to develop without attracting immediate investment shifts by the giants which correct or prevent the distortions? I group these questions together because they have the same answer.

The secondary market for most corporate bonds is not good enough to permit the portfolio manager to make every block transaction (at the quoted market) that may appeal to him. My experience is that about three-fourths of the desired switches can be done at fair prices in a portfolio when the unit of holding is 50 bonds, about half when the unit is 100-200 bonds and a third where the unit is 500-1 mil bonds. Even a third, however, is good enough to make a valuable annual contribution to the performance of the fund. For funds with blocks of \$2 million - \$10 million, the market is rarely good enough to permit switches. This is the chief disadvantage of size. It leaves a golden opportunity for small and medium sized funds.

Therefore, the giant funds, with a few exceptions, have felt themselves to be largely frozen into their bond portfolios. They consider that their investment activity must be confined largely to the investment of their huge annual flow of new money. This problem is so stupendous that there is little room left for portfolio changes. Perhaps many smaller funds have sacrificed the advantages given them by their smaller size and have followed a similar policy of ignoring desirable portfolio changes.

Mammoth Funds Inflexible

This attitude on the part of many of the large funds again shows us how distortions develop in the market and are not corrected. The larger funds are rarely seeking to switch. Their mammoth investment programs are often planned months ahead, funds allocated and commitments made. It is impossible for a \$5 billion life insurance company to organize a mortgage department in one year when mortgages are the most attractive buys and close it up the following year when corporate bonds are much better buys than mortgages. However, a \$50 million retirement fund can readily direct its funds into mortgages one year and into bonds the next. It can even sell bonds to buy mortgages and vice versa. Similarly at times when seasoned discount corporate bonds are much more attractive than new public or private bond issues, the volume is rarely large enough to interest the giant institutions which therefore keep to their programs of buying new issues.

The flow of new institutional funds into the American bond market is remarkably stable, growing slowly year by year. It's allocation is also stable, so much naturally seeking mortgages, so much seeking private placements, so much seeking public new issues of corporate bonds, so much seeking governments, so much seeking stocks, etc. Investment fashions among institutions as a whole change slowly; often new legislation and extensive educational campaigns are required to divert any large volume of funds into unaccustomed channels.

Varying Investment Demand

In contrast to this stable flow of earmarked institutional funds the volume of demand for bond money shifts dramatically from year to year and even from month to month. One year the volume of new mortgages is overwhelming and the next year corporate bond financing is way up and mortgages are down. During some recent months the volume of corporate bond financing has been four times the volume of other months. It is these dynamic shifts in demand playing against a smooth stable and inelastic supply of funds that is constantly creating distortions within the bond market. It is often impractical for the great institutions to take advantage of the resulting sudden market changes but it is not at all impractical or even difficult for pension funds or retirement funds of moderate size with flexible directives to exploit fully the opportunities thus afforded to them.

"Flexible Directives"

The key phrase in my last statement is the phrase "flexible directives." Perhaps I sense a wistful sentiment at this point: an apprehension that the author is directing himself to the state of affairs in another more ideal planet. On the contrary I have for many decades worked with the managers of municipal funds and know that most are bound by conventions, laws, limitations and procedures which render state and municipal trust funds the least flexible of any type of investment institution. There is no danger at all that portfolio managers, assuming that they agree with my controversial proposals, will go home tomorrow and so attune their investment activities to take advantage of the distortions of the bond market that these distortions will vanish. The laws would not permit it, accountants would object to both realized gains and realized losses, tradition would be opposed to the treatment of prime bonds as dynamic and trustees or directors would ask many questions.

Nevertheless. I have discussed this dynamic approach because there are many partial steps which many can take in the directions I have outlined. Furthermore, with the passage of time present directives will continue to become more flexible. These are techniques for managing portfolios composed only of the same high grade bonds which you buy. They are apt to produce a higher return and a better principal performance than the same identical bonds will produce if bought under inflexible policies on the basis of mere dollar averaging.

A bond investment policy appropriate for 1957 would not have been appropriate for 1958. A bond investment policy appropriate for 1959 would not be appropriate today. Therefore, legislation or minutes apportioning funds of municipal fiscal officers in tight little compartments will not permit efficient management of money. The dynamics of the bond investment markets is such that precise rules are out of date almost before they are debated and formulated. So important is the efficient management of these vast sums in retirement systems both to the taxpayers and to the public employees that I feel sure that as times passes, the custodians will receive wider and wider powers from their legislatures. They will also receive more flexible directives from their trustees or directors because they usually cannot give daily attention to portfolios and it is rarely possible to foresee the best bond values even a few weeks ahead.

The Matter of Price

So far I have mentioned two flexible techniques: (1) Varying the principles of selection with the level of the market as a whole; and (2) varying the principles of selection as the yield relationships change between different departments of the market. There remains the most important technique: (3) selecting specific issues based on relative values, that is to say, price. Price is unknown long in advance. Therefore, purchases which must be specifically approved at periodic committee meetings cannot usually include the best values. Values come and go and do not wait upon the convenience of committees. Formal meetings are essential to review and criticize past activities and to lay down general policies for the next few weeks or months. They should never intrude upon the selection of specific issues. If they do, the fund becomes a captive buyer entirely at the mercy of the syndicate pricing the bonds and forced to pass up better values for the approved issues.

Each year in each department of the bond market there are a dozen or so outstanding values—also a dozen or so second best values and so forth on up to a long list of mediocre, poor or inflated values. The difference is immense. If we are so tyrranized by our money flow that whenever we have money we must buy the next offering that fits our directives and whenever we have no new money we must pass up the rarest of super bargains, we cannot hope for a good performance. Flexibility in the selection of individual issues outweighs all of the other types of flexibility that I have mentioned.

In conclusion then I suggest that the bond investment policy and bond investment programs should be as flexible as possible. Some institutions are in a position to be very flexible while others are bound by laws or tradition or size and their flexibility is limited. Whenever possible bond investment policy should be constantly adapting itself to the changes which are always going on in our economy and in our markets. The right policy for 1961 will in all probability be the wrong policy for 1963. Rigid rules, preferences and limitations are traditional in institutional bond investment and are often frozen into laws. A mere glance at the history of the bond market, the dramatic changes in its levels and in its internal structure shows how impossible it is to develop investment rules which will hold good two, five or ten years in the future.

The market for prime bonds is one of the most dynamic of all our markets. Interest rates and bond yields vary from year to year far more than do most economic prices. These dynamics are only dangerous if they are ignored or minimized. If faced up to squarely, they are not only not very dangerous but indeed may be turned to the advantage of well informed institutional investors.

*An address by Mr. Homer before the Fifty-fifth Annual Conference of the Municipal Finance Officers Association of the United States and Canada, Seattle, Wash., May 25, 1961.

Junior Analysts Ass'n Elects

The New York Society of Junior Investment Analysts have announced the election of Hans Randolph Reinisch of the Chase Manhattan Bank Economic Research Department as President of the Society for the year 1961-1962.

Hans R. Reinisch

Other officers elected were Eliot Black of Abbot Proctor & Paine, Vice-President; Fred Anschel of Shearson Hammill, Treasurer, Eric May of Newburger, Loeb & Co., Secretary.

The Society, with a membership representing more than 100 New York brokerage firms, commercial banks and investment advisory services, provides opportunities for the interchange of ideas and information among investment analysts engaged in research in various branches of finance and economics.

Form Marshall Roberts Co.

Marshall Roberts & Company Inc. is engaging in a securities business from offices at 5 Beekman Street, New York City. Officers are Marshall R. Feingold, President; Marshall Moss, Vice-President and Secretary; and Robert I. Konigsberg, Vice-President and Treasurer. Mr. Feingold was formerly with Louis Wolf, Inc.

Birr Branch in San Carlos

SAN CARLOS, Calif.—Birr & Co., Inc. has opened a branch office at 1265 San Carlos Avenue under the management of Herman G. Frese. Mr. Frese was formerly local manager for L. L. Brooks & Co., Inc. In the past he conducted his own investment business in San Carlos.

United States Economy in a Changing Economic World

By Dr. Marcus Nadler, Professor of Finance, Research Director, C. J. Devine Institute of Finance, Graduate School of Business Administration, New York University, New York City*

Dr. Nadler calls for some planning in the outflow of our private and public investments "to prevent a duplication of effort, resentment, frustration and disillusionment." He also finds that the restoration of the international money market means we have lost our freedom of action and that our monetary "policies will have to be coordinated with those of the leading free countries of the world." Further, the noted banking economist draws on German data so as not to be accused of bias against American labor to indicate the extent of labor cost differences in today's international competition, and pinpoints the extent of Soviet competition. All this and more are probed by Dr. Nadler in his candid appraisal of today's changed international economic and financial conditions, and their impact on our economy and on the decisions our leaders will have to make.

It is only fitting that the first lecture given by the Graduate School of Business Administration on our changing economy, and at which we honor a distinguished business leader, should deal with an international topic. As we know, Mr. Schiff is the senior partner of Kuhn, Loeb & Company, a firm which has played an important role in international banking. Prior to World War I, Kuhn, Loeb & Company was instrumental in bringing capital from Europe to the United States.


Marcus Nadler

After World War I, Kuhn, Loeb & Company was instrumental in helping restore the shattered economies of Western Europe.

Kuhn, Loeb & Company, therefore, in partnership with other large firms contributed a great deal to the economic growth and development of the United States, as well as the restoration of the free world after wars.

International finance has played a very important role in the post war period and as we shall see later international finance is confronted with a great many serious problems, but so long as we have leaders of the type of Mr. Schiff we know that these problems will be solved to the best interest of the United States and the free world.

It is indeed an honor to appear on the same platform with Mr. Schiff.

A great many changes have taken place since the end of the war. At home the United States lost its preponderant position as the principal and almost sole supplier of equipment, machinery and other industrial goods. The singular position of the U. S. dollar as practically the sole source of international liquidity, outside of gold, has disappeared. The great dollar shortage which plagued the free world for so many years has come to an end and today we are confronted with a serious dollar surplus.

Abroad the changes have been equally great. At the end of 1958 the free world returned to international convertibility, with the result that the international money market has been restored, thereby subjecting all members of the international money market to the same discipline.

Larger economic units are emerging with increased productive capacities and increased productivity. We are witnessing, whether we like it or not, the increased economic role of the Soviet Union, in the world's markets and finally we find the end of Colonialism which, unfortunately, was marked by rampant Nationalism which often assumed the character of anti-foreignism and, if the truth be told, we find in certain parts even of the free and developed world, a certain resentment against the concentration and saturation of American investments.

Examines New Problems

Now these developments and changes are bound to have serious consequences.

First, we are confronted with a serious balance of payments problem and, while at the present time maybe temporarily, maybe not, the outflow of gold has come to an end, yet we know that the United States is still confronted with a serious balance of payments problem.

Second, the restoration of the international money market and a balance of payments deficit of the country has deprived the reserve authorities of their almost complete autonomy, which they had over the money market. From now on the movement of interest rates, notably short term rates of interest will be guided not only by economic conditions prevailing in the United States, but also by international financial and economic conditions.

American business is witnessing increased competition from abroad, in foreign markets as well as at home, and this in turn has an important bearing on the squeeze of the margin of profit. Foreign direct investments are being adversely affected by the rampant Nationalism which has broken out in the newly established countries, but also elsewhere, and this is bound to affect the flow of capital from the United States to other nations.

Let us look at these problems one by one and see what comes out.

The balance of payments deficit, as we all know, is the result of the fact that the United States has been exceptionally generous in helping the free world to restore its economic strength and health, but the net result is that foreigners have accumulated over $22 billion of short term dollar assets, the net result is that last year we lost nearly $2 billion of gold. Until quite recently when President Kennedy made a very strong statement in defense of the dollar, the dollar was under a cloud and many foreigners, but including also Americans for fear of a devaluation of the dollar, shifted their short term funds from this country abroad.

The net result was that during 1960, particularly during the second half alone, nearly $2½ billion of short term funds were transferred from this country to the rest of the world.

These developments are in part responsible for the change in the open market policy of the Federal Reserve System. All of us know that this change has encountered a great deal of opposition and one may say, criticism, but the mere fact that the international money market was restored, that the United States became part of the international money market, that the United States had a large deficit in its balance of payments, made it imperative for the United States to keep short term rates of interest in line with those prevailing in other countries.

If we hadn't done so, as we did not during the second half of 1960, the outflow of funds from the United States and the outflow of gold would have been even greater than it actually was.

But the Federal Reserve had to do something in order to halt a declining economy and rapidly growing unemployment and, therefore, the emphasis was shifted from the Bills Only policy to the entire sector of the Government Bond Market.

And while I'm sure that there were other forces and factors that have contributed to this change, yet it is quite evident the changing conditions throughout the world are having their impact on the United States and on the decisions that have to be made by the leaders in this country.

It is of importance, however, not merely to look into the past, but it's more important to look into the future. I'm sure the time will come, and it isn't very far off, when the economy of the United States will again be operating in high gear.

I'm sure the time will come when the Federal Reserve will again adopt a policy of credit restraint, but unlike in the past, their actions will be guided by international conditions.

In the future, too, when the course of the Federal Reserve is reversed, they will have to be guided by conditions abroad, as well as by conditions at home. Otherwise, if short term rates of interest in the United States go too high in the relationship to short term rates of interest in the rest of the world, there will be a large inflow of funds into this country from the foreign international centers draining them of their liquidity and creating serious problems for them as well as for us.

We find, therefore, that in the money market the changes that are taking place throughout the world are already beginning to affect our credit policy as well as our money markets.

Let's look at the second phase.

Increasing International Cost Differences

International Competition: You must bear in mind that the great postwar boom came to end in 1957 and from that time on we were in the midst of a transition period, interrupted only temporarily during 1959 by the massive intervention on the part of the government and the Federal Reserve.

This period of transition came to an end partly because by that time the productive facilities of Europe had been restored, and they are greater than ever before in their history. Productivity in many lines is high, probably higher than in the United States because they operate primarily with new machinery and equipment. The old one was destroyed during the war and the United States under the Marshall Plan was in part responsible for their ability to become highly productive.

European nations adopted mass production methods based primarily on a rising demand at home, but also on the rising demand abroad. They were able to produce high quality goods. They enjoyed a greater degree of labor tranquility than we enjoyed in the United States, and, therefore, they had two advantages over us.

One, was high quality production, excellent planning and at the same time, low labor costs.

Just to indicate the differential of labor costs between the United States and the rest of the free world, let me cite a few figures, and I take these figures from a German source because had I picked them from an American source, I might have been accused of being too much biased against labor of the United States.

In 1959 the average hourly labor cost, not hourly wages, *labor cost* in the United States amounted to $2.75, in West Germany 80 cents and in the Netherlands 57 cents.

Is it then any wonder that West Germany and Holland re-evaluated their currencies upward. With such low labor costs obviously neither the United States, nor even Great Britain could compete with them for their efficiency and productivity is exceedingly high.

Because of the conditions that I mentioned, American captial in large amounts is going abroad, and it is rather interesting to note that where as in 1961 American manufacturers plan to spend less money on plant and equipment in the United States, they are planning to spend more money on plant and equipment in the Western world.

The net effect of this development is obvious. Competition at home and abroad is great and is increasing, it has an impact on the margin of profit. It is only logical that American manufacturers should endeavor to bring pressure on the Administration and the Congress to rectify the situation. However, if these efforts are successful, or if the United States goes too far, it will create more problems than it actually will solve.

You can see, therefore, the United States with a high wage level with rather untried and untested labor leadership in many fields, coming into keen competition with countries whose productivity is way high, whose labor is led by rather responsible leaders and it's evident that problems of great importance are bound to be created.

And Soviet Competition

To this should be added another development. The Soviet Union has become an important competitor in the world's markets. We know that the Soviet Union is playing an important role in certain raw materials such as oil, but also we must state cognizance of the fact that the Russians today are building the great Aswan Dam in Egypt, that they have put up a modern and up to date steel plant in India and they are developing the resources of Pakistan. And, in all probability, we will hear more about this type of competition.

Furthermore, it is extremely difficult for the free world to meet Russian competition. Not only because of the price structure, which to the Russian is meaningless, but rather because the Russians in exchange for payment are willing to take all kinds of raw materials that may be in oversupply in the country in which they are interested.

Above all, we must take notice of the fact that their economic actions are motivated by political considerations.

American Capital's Reception

The third change that is taking place before our own eyes is the problem of direct investments. Since the end of the war, American private enterprise has invested a great deal of money abroad. By the end of 1959 these direct investments amounted to $30 billion. In the underdeveloped countries the United States concentrated primarily on the development of raw materials. In the industrial nations the United States concentrated primarily in the field of manufacture. Wherever the United States private enterprise went, it had a fruitful and beneficial effect on the economies of these countries. It led to the development of their natural resources. It created new employment opportunities, and it tended to raise the standard of living for the people.

However, here again we find that great as the contribution of private investment were, the majority of the people did not benefit from it. The standard of living in most countries, in the underdeveloped countries is still very low. The people at large did not benefit from the massive investments by American private enterprise. Illiteracy, poverty and suffering is the lot of a great majority of the people in the underdeveloped countries.

We find that in many parts of the world where American capital has been invested in large amounts, economic and social conditions are not different from those which prevailed in Cuba, and I believe a lesson has to be learned.

The net result is anti-foreignism of the crudest sort. We have witnessed before our own eyes the confiscation of over $1 billion of American property in Cuba. We have seen the confiscation of all the Dutch property of Idonesia. We have seen, because of the conflict between Egyptians and Belgians over the Congo, the Egyptians confiscated Belgian property. A National revolution, irrespective of whether the ideology comes from the extreme right or from the extreme left, is bound to have an adverse effect on foreign investments.

Also, we notice a certain degree of anti-Americanism has developed in countries where the way of life is more like ours than in any other country. For example, in Canada. There is today a resentment against the saturation of American investments in certain fields and we cannot afford to overlook it.

Therefore, I believe that American enterprise will have to find ways and means how to combat this dangerous trend, because if this trend continues it undoubtedly will have an adverse effect on the flow of American private capital to the rest of the world, particularly underdeveloped countries and if this flow of American capital and technical know-how is interrupted, these nations will not be able to make the progress they desire. As we all know, there is an explosion of expectation in these countries which can be met only if they receive a great deal of American capital and technical know-how.

Therefore, the answer to the solution is not easy. It is a complicated one. We must make sure that wherever American capital goes, whether it be public capital in the form of grants or loans made by the United States Government or whether it be private capital in the form of direct investments by Americans, that benefits derived from these investments accrue to the entire population and not only to a small handful of people.

It was rather encouraging to me to read in a paper recently the statement by President Kennedy that the United States is willing to help those nations in Latin America which are willing to help themselves. If they are willing to carry out extensive land reform, extensive taxation reform, take measures which will bring about an increase in the living standards of the majority and only when this is done will the country at large benefit from the inflow of American capital, and only then will the American capital be safe in those countries.

Conclusions

Now what conclusions can one draw?

(1) The unique position of the United States as a principal supplier of industrial goods to the rest of the world has disappeared, and the latter is much less susceptible to economic developments

in this country. Leading European currencies are competing with the dollar as a source of international liquidity.

As a result of restoration of the international money market the United States monetary authorities have lost their complete freedom of action and their policies have to be coordinated with those of the leading free countries of the world.

The movement of short-term interest rates from now on will be international in character and the difference in rates prevailing in this country and the rest of the free world is bound to be only relatively small.

(2) The creation of large economic units, the common market and free trade association, constitutes a challenge and an opportunity to the United States. International competition is rising and contributes to the squeeze on the margin of profit of American corporations. At the same time the rise in living standards abroad, the broadening of foreign markets create new trade opportunities for American manufacturers.

The result will depend on whether we can lower the cost of production, improve the quality of our products and produce new goods capable of competing effectively with those of Europe and the Far East where the labor costs are, and will continue to remain, materially lower than those that prevail in the United States.

(3) American investments abroad are bound to undergo considerable changes in the coming years. The rise of nationalism, irrespective of its ideology has created a strong anti-foreign sentiment which does not argue well for foreign investments, particularly in the underdeveloped countries.

At the same time, the large American directed investments in the free world has created a dual reaction. At home it raises the question of its impact on the balance of payments of this country, and on job opportunities for the rapidly rising labor force. While abroad, particularly where these investments are heavily concentrated, it has raised the spectre of American domination.

If these trends continue, the results are bound to be serious. The need for American capital and technical knowledge in the underdeveloped countries is great and pressing and anti-foreignism and nationalism, harassment of foreign investments will bring the international flow of capital to the underdeveloped countries to an end and thus not only retarding their economic growth but actually creating new problems for the United States Government.

I believe a further indiscriminate increase of American plants in the Western countries, particularly where such American investments are already large will create resentment, not only abroad but also at home, particularly if we should continue to have large scale unemployment.

Need to Plan Private Foreign Investments

(4) A new approach to American private investments abroad is needed. The indiscriminate flotation of foreign dollar bonds in the '20s led to default and international financial difficulties. Some planning is indicated, not only by the capital exporting countries but also by the host countries in order to prevent a duplication of effort, resentment, frustration and disillusionment. An international investment organization loosely and freely established among the free nations of the world could offer guidance and advice to both parties.

And, finally, the first phase of the postwar era has come to an end with the emergence of large economic units, the establishment of many new sovereign states and the growth of the neutral bloc, the political and economic predominance of the United States and of the Soviet Union is likely to decrease.

Economic rivalries between the free world and the Soviet bloc are bound to increase and not decrease. Historical developments have made the United States the leader of the free world and the principal protector of its political security. While the results of the gigantic aid rendered by this country to the rest of the world did not come up to expectations, we have gained experience and knowledge to cope with the problems that confront us and which await solution.

We are living in a dynamic but also dangerous period. The future will depend largely on our judgment and on our decisions. Careful study, knowledge and humility will enable us to make the right decisions.

*An address by Dr. Nadler at the New York University, Graduate School of Business Administration Executive Lectures on our Changing Economy, Lecture 4, 1961 series, New York City.

N. Y. Women's Bond Club Elects

Miss Ruth Hoffman was re-elected President of The Women's Bond Club of New York at the annual meeting held May 24, 1961. Miss Hoffman is an Account Manager with The Bank of New York.

Other officers elected at this meeting for the 1961-62 year were: Vice-President, Mrs. Sara Harshbarger of the U. S. Steel & Carnegie Pension Fund; Secretary, Mrs. Miriam Dixon of de Vegh & Co. and Treasurer, Miss Jeanne Klein of Reis & Chandler, Inc.

Mrs. Irma Pratt of Brundage, Story & Rose and Miss Marion Quell of the Irving Trust Co. were elected directors of the Club for the 1961-63 period.

Nikko Kasai Expanding Coast Offices

SAN FRANCISCO, Calif.—Nikko Kasai Securities Company has announced it will soon expand its facilities to care for the growing number of California investors in Japanese stocks and bonds.

Shizuo Hayase, President of Nikko Kasai, disclosed plans for moving into more commodious quarters in San Francisco; opening a new branch office in Beverly Hills; and expanding its present downtown Los Angeles office.

The new San Francisco offices will be opened on the ground floor of the Mills Building, Montgomery and Bush Streets, in the financial heart of the city about the middle of June. Quarters will provide comfortable and commodious rooms for customers and will have ample space for staff and clerical employees. An added feature will be expanded research and analytical departments.

Opening off the lobby of the Mills Building, decor of the new offices will reflect a feeling of modern Japan while, at the same time, appointments for customers and staff will be completely functional.

The Beverly Hills office on Beverly Drive is expected to be ready for occupancy about July 15. An unusual feature will be a full-scale Japanese garden through which customers will pass to enter the offices from the street. The interior will draw heavily on traditional Japanese decor.

The downtown Los Angeles office at 235 East Second Street will be expanded with a view to providing the utmost in service for its clientele.

Eisele, Raynor & Fisher

OMAHA, Neb.—The firm name of Eisele, Raynor & Redelfs, Inc., First National Bank Building, has been changed to Eisele, Raynor & Fisher, Inc.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Tucked away in a nondescript office in an ancient building just west of the White House is the most forlorn bureaucrat in Washington. He is Charles B. "Bud" Wilkinson, coach of the University of Oklahoma's football team, who has been named special consultant to President Kennedy on youth fitness.

He is finding it is not easy to change the nation's living habits overnight.

That is essentially what the President has asked him to do—to come up with an idea to restore the muscle tone of our sagging citizenry so we can better cope with the cold war.

Since his appointment on March 23, Wilkinson has absorbed or generated a lot of ideas. He's now trying to get the right people to accept them.

"It isn't easy," he says. "You can't say this and they do it. There's a vast difference between government officials and eager football players, when it comes to taking suggestions."

His job is to convince school organizations, youth groups, and parents that we are becoming a flabby civilization and again must use arms, legs and lungs for what they were meant for in the first place.

The nation's muscles began to grow flabby after World War II, according to the man who has trained a succession of gridironers to knock the stuffing out of linesmen and opposing ball carriers.

"There was a time when the mere daily driving of a car was sufficient to maintain muscle tone in the arms, particularly if you had to parallel park a few times.

"Now we have power steering.

"And not too long ago housewives got a certain amount of exercise by stirring up cake batter. Now they've got ready mixes and electric mixers."

His list goes on and on, including power motor, outboard motors with electric starters, and all the many gadgets that require only the flip of a tab or the push of a button.

He has two principal targets—parents and school administrators.

"Parents don't recognize the problem. We have to show them that it doesn't take a lot of time.

"Ten minutes of calisthenics, three times a week is sufficient to retain minimum fitness, particularly if you will throw in a few extras, such as getting off the elevator on the floor below and walking up.

"There are too many hard-driving guys who feel that if you take time out to play golf regularly you are shirking your duties. There was criticism of President Eisenhower for this and it wasn't justified.

"Physical fitness is the foundation of other forms of excellence. I believe it was Arnold Toynbee, the British historian, who said that 19 of 21 major civilizations fell because of decay from within."

Wilkinson said television newspaper and magazine representatives have expressed interest in his efforts but they want specific recommendations.

Wilkinson believes in calisthenics as the exercise that does the most good for the most people.

Many school administrators believe that play is the thing. Let the kids run and play and they will automatically get the right amount of exercise.

Here basically is the source of possible far-reaching disagreement between Wilkinson and top-level school administrators. Not wanting to beg trouble, he isn't commenting publicly and hopes to reach agreement.

"Obviously, the children who are already physically fit participate in these playground sports while the ones who need it stand aside and talk. If this system had worked we wouldn't have the problem we have today," Wilkinson says.

Robert M. Hutchins, former President of the University of Chicago, once made a classic remark that set physical fitness back no telling how many years, according to Wilkinson.

Hutchins said that whenever he had the urge to get some exercise he would just lie down until it went away.

Forms City Inv. Service

BROOKLYN, N. Y.—John Marinello is conducting a securities business from offices at 2057 Flatbush Avenue under the firm name of City Investors Service. Mr. Marinello was formerly with John G. Cravin & Co.

Werbe, Jr., Joins Raffensperger

INDIANAPOLIS, Ind.—Thomas C. Werbe, Jr., former Deputy Assistant Secretary of Defense during the last year of the Eisenhower Administration, has become associated with Raffensperger, Hughes & Co., Inc., 20 No. Meridian St., members of the Midwest Stock Exchg. Prior to serving in Washington, Mr. Werbe was Executive Vice-President and a director of Lynch Corp., Anderson, Ind., and a director of the Citizens Banking Co. in Anderson.

Thomas C. Werbe Jr.

Smith, Barney Sponsors Music Program—WQXR

Smith, Barney & Co., investment banking firm and member of the New York Stock Exchange, is sponsoring a new one hour weekly radio program "Music Magazine" which starts June 5 on Station WQXR. The program, Monday nights 9:05 to 10, will be produced and narrated by Abram Chasins.

"Music Magazine" will range far and wide in the world of music, taking as its subjects the whole world of music and its impact on the listener. The program will be a provocative one and will feature well-known artists as guests.

G. Dale Belford Forms Own Firm in Portland

PORTLAND, Oreg. — Belford & Co., Inc., has been formed with offices in the Selling Building to engage in a securities business. Officers are G. Dale Belford, President, and R. J. Hartke, Vice-President. Mr. Belford was formerly Vice-President of Campbell & Robbins, Inc.

Named Director

William B. Ingersoll, Assistant Vice-President of Stroud & Company, Incorporated, was recently elected a director of Waterman Products Co., Inc., a Philadelphia electronics firm.

Poorer Countries Must Meet Population Growth

By Eugene R. Black, President, International Bank for Reconstruction and Development, Washington, D. C.*

World Bank head bluntly concludes "population growth threatens to nullify all our efforts to raise living standards in many of the poorer countries." He calls on governments directly concerned to act on this threat to their aspirations and to make sure the policies they pursue with scarce capital maximizes the road to economic growth. Countries that provide economic aid are warned against ill-advised assistance programs since available resources are short of poor countries' minimal needs. Unless population growth can be restrained, Mr. Black fears, we may have to abandon our hopes of economic progress for this generation in the crowded lands of Asia and the Middle East.

We should be less than wise if we were to place all reliance on new institutions providing development finance on easier and easier terms. There is a limit to the funds that capital - exporting countries are willing to provide. There are also movements in the less developed countries themselves which vitiate all efforts to raise world living standards. One of the most massive of these obstacles is the tremendous rise in the populations of already crowded countries.

Eugene R. Black

For every four persons on earth in 1950, there are today five. For every five today, in 40 years there will probably be 10. In the past half-minute alone, about 90 babies will have been born into the world; only 60 persons will have died, leaving a net increase of 30, or one every second. This rate of growth last year added the equivalent of the population of Italy to the world's millions, and the rate seems to be accelerating. In 1961 it will probably push the population of the world past the three billion mark, and it will double that figure before the end of the century.

Three hundred years ago there were probably no more than 500 million people alive in the world, and the total was increasing only slowly. This stability was maintained by an uneasy balance between high birth rates and death rates. Many babies were born, but many also died. Living conditions were such that many of the remaining children failed to survive beyond the age of 30.

In Europe, the picture began to change in the late 18th century. Populations began to grow, sometimes very fast. Elsewhere the balance of new lives against deaths has been upset largely in our own lifetime. The pattern has been a steep fall in death rates, with birth rates little changed. But the circumstances have been somewhat different from the earlier European experience. The population revolution has often been achieved very cheaply. In Ceylon, to take the best-known example, the expenditure of $2 a head on a public health campaign with the prime purpose of eradicating malaria reduced the death rate by three-quarters over a single decade. Similar stories can already be told of public health programs undertaken in other countries, and there will undoubtedly be more in the future.

Of course we welcome this trend, whatever the problems it may set for us. We all want to reduce the suffering and waste involved in premature death or disabling disease, and we can expect death rates to go on falling in the developing countries. Medical science continues to discover increasingly effective ways of promoting public health, and since governments can usually act on behalf of the community in putting these new techniques to work, we may expect them to be applied as soon as the money can be found to pay the accompanying bill. People will live longer in the future.

But if only 20 people—or even fewer — in every thousand are henceforth to die each year, then a birth rate of 40 per thousand, which formerly just kept the population steady, will bring an explosive growth in numbers. And there is little reason to suppose that birth rates will soon decline to match the fall in death rates. It is much simpler to attack disease than it is to alter the reproductive pattern of a society. Medicine has yet to make available a cheap and easy method of regulating births. And not everyone wants fewer children.

What view are we to take of all this?

Disagrees With Prophets of Doom

I am not convinced that population growth will eventually outrun the development of the world's resources. It is true that at present rates of consumption we will use up the known reserves of several important fuels and minerals within a few decades. Heavy demands will certainly be made on our agricultural resources, and there may be acute difficulty in organizing the movement of food and other necessities about the world on the scale required to meet the needs of a population twice its present size. But I am inclined to think that those prophets who forecast the exhaustion of the earth's resources, underestimate the ingenuity of man and the potentialities of science. And I am not too disturbed about the long-run problems of feeding the extra persons we expect, although I find myself a little out of sympathy with some of our professional agricultural optimists—it seems to me Utopian to expect that every country will be cultivated as efficiently as Denmark, and that thereby the world could easily feed twice its present population.

But all this does not mean that we ought to welcome population growth on the scale that we see it today.

Some people argue that a big population implies a good market for the businessman's product: he can use mass production techniques and charge low prices. They insist, too, that with a growing population, the businessman constantly finds demand exceeding his estimates. Optimism and production run high; new products win ready acceptance, while obsolete industries die painlessly; the incentive to invest is strong; and social mobility and change are encouraged. The burden of social costs is spread widely. By contrast, they suggest, a declining or even stationary population brings pessimism and economic stagnation; there is insufficient reward for private enterprise, and the state is thereby forced to intervene increasingly in fields better left to the private citizen.

This body of theory may conceivably be true in the circumstances of a rich country with resources to spare. But it is wildly irrelevant to the problems of most developing countries today.

It is, of course, a fact that some of the poorer countries do not have domestic markets big enough to support mass production industries. But it is clearly ridiculous to suggest that inadequate population is holding back the development of, say, India, which packs more than twice the population of the United States into less than half the space. Where most people go barefoot for lack of shoes, industry is not failing to grow because its products are not wanted. Where the agricultural laborer can find work to occupy him for only half the year, no further pressure is needed to make him wish for a different occupation. Where two-thirds of every dollar of income must be spent on food, where manufacturing industry is almost non-existent, one need not worry that excessive saving will lead to under - employment of resources. The lash of further poverty is not required to drive these people to action. The developing countries need many things—not only capital, but the skills and health to make good use of it. By no means do all of them need population growth.

Can They Afford It?

But need it or not, they have it. They should ask themselves if they can afford it. In Asia, in the Middle East, in Latin America, in Africa, the population of most countries is growing at the rate of 2% annually—and sometimes 3½% or more. In most of Latin America and Africa there is fortunately room for the extra people. In the long run, although not now, there should also be adequate resources available to feed, clothe and house them. But in many parts of Asia and the Middle East, resources are few, and there is not nearly enough room. Agricultural land which once sufficed to support a stationary and much smaller population has already been divided and subdivided beyond the limits of effective cultivation. Cities are crowded to bursting, and are still getting bigger.

Population growth on this scale would be a serious challenge to a country with adequate living standards. Where incomes are very low, and economic development is a desperate need, such growth can be a crippling handicap.

The speed at which a country develops depends largely upon its ability to direct its growing resources to investment rather than to consumption, to uses which will raise tomorrow's output rather than satisfy today's demands. A poor society finds it difficult to save at all, and will be doing well if it can set aside 10% of its income. At this rate, if its population is growing, it will barely be investing enough to stay where it is. Yet the likelihood must be that it will invest not more than 10%, but less: a growing population with a high proportion of dependent children will find it increasingly difficult to spare any of its income from consumption.

Stark Alternatives

Unless foreign aid can be increased, a country in this position is faced with a stark alternative. It must reduce its savings, or lower its living standards—although both are already inadequate.

The industrialized countries have shown their willingness to help. Common humanity and self-interest alike impel them to do so. All the evidence points to a greater flow of aid in the coming years. But I find myself increasingly doubtful whether domestic savings and foreign aid together will be sufficient to allow real progress, if present rates of population growth continue for long.

Figures are hard to come by in this field. But it may be possible to indicate some orders of magnitude.

Some calculations have been made about the cost of providing houses in India during the next generation, if the population continues to grow at its present rate of about 2% a year. If you disregard the cost of rural housing, on the somewhat optimistic assumption that it can be carried out entirely with local materials and labor, then you still have to pay for the homes of nearly 200 million extra people who, it is expected, will be living in India's cities 25 years hence. Making full allowance for the fact that many of the extra persons will be children needing not new houses, but simply more space in existing households, a sober estimate of the cost suggests that in the 30 years between 1956 and 1986 a total investment in housing of the order of 118 billion rupees, or roughly $25 billion, will be needed. If you find a figure like that difficult to grasp, I may say that it is well over four times the total lent by the World Bank in all countries since it started business 15 years ago. Put another way, it is more than 30 times the initial resources of the International Development Association—and those resources are supposed to cover IDA's first five years of operations.

My cost estimate takes no account of the need to improve existing housing in such cities as Calcutta. It leaves out the cost of roads, sewage systems, water supplies and other services. Yet the problems of urban growth form only a small part of the challenge presented when economic development is attempted in the context of a vast expansion in population.

In the social field, many more new hospitals and clinics will be needed, simply to maintain present standards — standards which by common consent are sadly inadequate. Far more must be spent on education. Here look again at India, not because its problems are unusual, but because they are well documented. In 1956, about 31 million Indian children were getting an education — less than 40% of those of school age. It is mathematically certain that if the population grows as expected, a three or fourfold increase in educational investment will be needed if all children are to be receiving an education by 1976. When you come to productive investment, the story is similar. Enormous investments will be needed. But population growth does not only tend to reduce the flow of investment funds. It also means that the capital invested in industry must be spread increasingly thinly over the labor force: each pair of hands is backed by fewer dollars of capital. Productivity suffers, and the gap in living standards between the developing and the industrialized countries widens, instead of narrowing.

Speaks Bluntly

I must be blunt. Population growth threatens to nullify all our efforts to raise living standards in many of the poorer countries. We are coming to a situation in which the optimist will be the man who thinks that present living standards can be maintained. The pessimist will not look even for that. Unless population growth can be restrained, we may have to abandon for this generation our hopes of economic progress in the crowded lands of Asia and the Middle East. This is not a field in which international agencies can do much. But there is scope for governments to act: it is time that they gave earnest attention to this threat to their aspirations.

Population growth does not alter the rules for successful economic development. On the contrary, it reinforces their strength by increasing the penalties for breaking them. In relation to the need, capital is short, and must be stretched as far as it can possibly go. In the developing countries, therefore, the first question to be asked of any economic policy must be: "Is this the road to maximum economic growth?" and if the answer is "No" we must look very closely at any doctrines which are put forward to excuse this sacrifice of economic advancement.

Role of Providers of Aid

For the providers of economic aid, this situation implies a duty not only to see that the money is properly and efficiently applied, but also to guard against the temptation to use development assistance to achieve their own commercial or short-term political objectives, rather than to serve the priority needs of the recipient countries. For the developing countries themselves, it implies that they must realize that they least of all can afford to accept low returns on their investments. They cannot afford to waste scarce resources by putting prestige ahead of real need, by ignoring hard economic calculations, by refusing to accept productive capital while they debate for years the respective roles of public and private enterprise.

At best, and even if real sacrifices are made by the industrialized nations to increase the flow of aid, there is grave danger that, in the face of existing rates of population growth, the resources available for economic development will fall short of the needs of the developing countries. We bear a heavy responsibility toward succeeding generations to make the best use of all our resources.

***From an annual report by Mr. Black before the Economic and Social Council of the United Nations, New York City.**

Watts Vice Chman. Of NYSE Board

Henry M. Watts, Jr., has been elected Vice-Chairman of the Board of Governors of the New York Stock Exchange it has been announced. He succeeds J. Truman Bidwell, who was elected Chairman of the Board at the Exchange's annual election on May 8.

Henry M. Watts, Jr.

Mr. Watts was originally elected to the Board of Governors for a three-year term in 1958 and was re-elected for a second three-year term at the recent election.

The new Vice-Chairman a member of the Exchange since March 12, 1929, is a senior partner in Mitchel, Schreiber, Watts & Co. His firm acts as floor broker for other member firms of the Exchange.

Form John Schuss & Co.

PRINCETON, N. J.—John Schuss & Company has been formed with offices at 20 Witherspoon Street to engage in a securities business. Partners are John E. Schuss, Harris D. Le Vine, and Albert T. Dykes. Mr. Schuss and Mr. Dykes were formerly with Jaffee & Co.

Form Midwestern Inv.

(Special to THE FINANCIAL CHRONICLE)

LINCOLN, Neb.—Midwestern Investment Company is engaging in a securities business from offices in the Anderson Building.

Changing Composition of Our Labor Force

By Louis F. Buckley,* *Regional Director, Bureau of Labor Statistics, U. S. Department of Labor, New York City.*

Management and labor are alerted to the changing size and characteristics of our labor force, and the need to prepare adequately for the mounting number of young workers joining the labor market of the 1960s. Mr. Buckley finds the evidence still supports the conclusion that there will be a relatively small increase among workers between 25 and 44 and fewer workers between 35 to 44 in this decade. In presupposing an opposite employment picture than today's, the writer contends that age, color and other job barriers will have to go because we no longer can afford the high price we have paid for moral neglect in terms of waste of talent and skill. He describes the changing occupational trends and the implications of this, and other manpower problems of the 1960s.

The 26 million new young workers entering the labor force during the 1960's, almost 40% more than during the 1950s, will create many challenges for labor and management. Union officers concerned with retaining membership and personnel managers seeking to maintain a stable work force will have to face the problem that these young workers traditionally have the highest turnover rates. They frequently move from job to job in the period when they are making career choices. On the other hand, the intense competition which will exist among young people for jobs may tend to reduce their normally high turnover rate.

Because a larger proportion of the labor force will be made up of young workers, employers will have to provide more and better training on the job and concentrate to a greater extent on supervision and safety education. Unions, in their organizing activities, will be faced with a growing number of workers who have had little or no previous work experience or contact with labor organizations.

The influence of young workers may be felt in the form of pressures for lowering the retirement age of older workers. In collective bargaining situations, the younger union members may be vo... lowering the retirement age.

It is very important to management and to labor that these millions of young workers be adequately prepared for the labor market of the 1960's. The jobs that built America on the old frontier, jobs ordinarily associated with muscle and stamina, and physical capability, are now surpassed by the jobs we associate with higher education and training. The unskilled worker is expected to continue his relative decline in the job picture while the skilled craftsman and the white collar worker will become more important. The key to expanding opportunities in the new job frontier of the 1960s, will be found in education and training. In tomorrow's automated world, only the skilled will find the path smooth. The untrained or uneducated will not be able to design, produce, install, service, or operate the machinery of the future.

Here, I suggest, is another area of mutual interest and teamwork for labor and management. What is taking place in our schools today, as well as what you are doing under the joint apprenticeship program, will determine our flow of skilled workers in the years ahead. If the skilled trades are being advertised to the school-aged youngster as being unattractive — then certainly we can hold little hope of meeting our skill demands. We are training far fewer craft workers through apprenticeship than we are losing through withdrawals from the labor force. In its most understandable sense, this means in the long run a drag on economic growth for labor, and a drag on productivity and profit for management. It is estimated that the skilled labor force will increase by over 2 million by 1970. Building trades craftsmen, mechanics and repairmen, and skilled machinery workers will account for most of the increase in the skilled worker group. Serious training problems are also faced in the newer jobs in the electronic and instrumentation industries. The strength, size and effectiveness of our apprenticeship and other skilled worker training programs will strongly influence the rate of economic development and defense preparation we can expect in this decade.

Middle-Age Group

Let us now consider the implications of the fact that in the next 10 years there will be only a relatively small increase among workers 25 to 44 and actually fewer workers aged 35 to 44. This new composition of the labor force will give us an hourglass effect with a large number of younger workers at the top and of older workers at the bottom with a manpower squeeze in the key middle age groups.

Workers in the middle age groups normally supply a large proportion of our executives, managers, foremen and most highly skilled workers in industry and the key officials in labor organizations. The shortages in these prime age groups will put a greater premium on the better selection, placement and training of workers, as well as on earnings, especially if a company wants to minimize labor turnover. Since it will be easier for people in these age groups to get other jobs if they are dissatisfied, management will need to pay greater attention to how they are placed and how they are treated on the job.

Men and women who are now between the ages of 25 and 34 can look forward to a period when they will be competing with a smaller number of workers of their age for an expanding number of jobs requiring well qualified and responsible workers. It is important, for industry and labor, that plans be made now for the necessary retaining, skill acquisition and the development of executive ability among these workers. The anticipated shortages in the 35 to 44 age group should result in a change in some of the "traditional" ideas about "desirable" ages of employees thus resulting in better use of manpower among the older workers and more rapid promotions of younger workers.

The preference today for the young, white, male worker in his late 30's and early 40's will have to be revaluated from the standpoint not only of age but also of color. We are familiar with the moral arguments calling for action on Negro rights for economic advancement based on merit and skill and acceptance based upon proved ability and achievement. We will be faced, according to the manpower trends we have discussed for the 1960's, with a compelling economic reason for hiring qualified Negro workers. There will not be enough white workers in the prime age group to meet the needs of industry. This will bring to light the high price we have paid for moral neglect in terms of waste of talent and skill, which we cannot afford to continue. The price of prejudice will increase in the future. As Secretary of Labor Arthur Goldberg stated recently, "Employers who hope to compete are going to have to realize that hiring and promotional policies that discriminate against women, older workers and minority workers are the policies of stagnation."

The anticipated shortages in the number of men in the key middle age group may also encourage employers to consider women workers for jobs in which women generally do not now work. Not only will one-half of the increase in the work force in the next 10 years be made up of women workers, the proportion of women in the labor market in the middle age groups will be higher than in the younger and older age groups. Forty-seven percent of women aged 35 to 44 and 55% of women aged 45 to 54 will be in the labor market.

The large increase in the number of women workers will come at a time when changing technology is restricting some of the traditional areas of job opportunities for women workers. Many women workers must be considered for different types of jobs than at present. This increase in women workers also has significance for labor organizations and employers since women traditionally have the highest turnover rates. Women tend to move out of the labor force when they marry or when they have children and go back to outside jobs when their children reach school age. Furthermore, from the labor organization standpoint, traditionally women have been somewhat less likely to be interested in unionism as a long-run job safeguard.

The Older Worker

Although major attention is given to the increase in the young in the labor force of the 1960's, we should not overlook the large number of older workers we will continue to have in the labor force. The greatest increase in the last decade was in the age group 45 and over. While the change in the number of workers in this age group will not be quite as great in the 1960's as in the previous decade, it is nonetheless of significant proporions. We will have over five million more workers 45 years and over in 1970 than in 1960. Labor organizations, as well as employers, will have to take cognizance of this increase of older workers in looking at employment practices and retirement policies.

Older workers may be considered in the 1960's for many jobs now filled by workers in the middle age group since there will not be sufficient qualified workers in the prime age bracket available to fill these jobs. This also implies a better chance for the unemployed qualified older worker to get a job, since employers will not be as selective on the basis of age as in recent years when there were relatively more men under 45 available. It is also possible that in certain expanding occupations where only a relatively small number of workers employed are now over 45, such as clerical and sales work, greater consideration may be given to the employment of older workers.

Occupational Trends

A few years back, we passed an historic milestone in America when the number of people in white-collar jobs — professional men, managers and technicians, sales and clerical workers—outnumbered the people in blue-collar jobs—the craftsmen, operatives and laborers. Even within manufacturing, a similar shift is taking place. Since the end of World War II there has been scarcely any gain in the number of production workers (plant workers) in manufacturing industries, while at the same time there has been an increase of nearly two-thirds in nonproduction workers, that is, office workers managers and supervisors. There is one more signifcant change in prospect; that is, the continued spectacular growth in the group of professional, technical and kindred workers. The outlook for the next decade is that this will be the fastest growing occupational group—an increase of about 40% in 10 years. The employment of scientists, engineers and technicians will increase at a much faster rate than the traditional fields of medicine, law, teaching and the ministry. At the other end of the occupational scale, we anticipate no increase at all in the unskilled labor group. Substantial increases in employment are in prospect for the managerial, the clerical and sales and the skilled crafts group. A relatively smaller increase is expected in the semi-skilled group, which includes the largest number of workers and in past periods was among the most rapidly expanding occupational groups. In general, the shift is toward occupations requiring more education, training and experience, and away from occupations requiring relatively little attainment in these areas.

Implications of Occupational Change

The importance of retaining workers is evident as the result of the major occupational shifts which are in prospect. Many men and women will become obsolescent in their lifetime occupations. Jobs which they have been performing for a number of years may be eliminated by automation, by shifts in demand, and by other changes in our economy. In view of the technological and geographic shifts taking place in a number of industries, there is likely to be stronger pressure from the workers for the maintenance of job opportunities, such as the right to be trained for new jobs opened up by technological change, and the right to transfer to a new plant which is being set up in some other State. These worker interests will be expressed in increasing pressure for seniority rights within the plant and the firm. Collective bargaining contracts are likely to contain more clauses directed toward this problem. The tendency for labor-management conflicts to center more on the job security issue than on wages is already evident and is likely to become more pronounced in the future.

The industrial relations problems of technological change are always critical ones. Studies by the Bureau of Labor Statistics have shown that companies which have installed new automatic machinery with a minimum of industrial relations problems have typically been those which considered the problems of the individual worker in introducing the change. The personnel planning and teamwork involved in this approach are as essential to modern industry as are the new machines. Unless this is recognized by labor and management, it will be difficult to assure the work force's adaption to automation and industry shifts with a minimum of friction.

From the industrial relations viewpoint, the most important

Continued on page 30

AS WE SEE IT

Continued from page 1

it. Yet such is the course we have all too often been taking. To the unthinking it may come as a shock if and when they realize the extent to which we have been playing the sedulous ape for two or three decades and are still today busily engaged in doing just that. Of course, there are a great many who resent any tag of communism or its like attached to their favorite program of "progressive" legislation. The fact remains that there is more than a tinge of the communist approach in a great deal that we have been doing and a great deal that a number of other so-called free nations have been doing in recent years. Basically, the communist faith differs from that of our fathers in that it holds that the individual is not fit or able to look after his own interests but must become a pawn of the state if real economic advance is to be achieved, or at least if maximum economic advance is to be reached.

We may not have as yet reached the stage where it may be said that the individual in this country or in any of the other countries of the so-called free world has become a pawn of the state, but the fact, the unfortunate fact, is that precisely that is the direction in which we have been traveling for several decades. The even more distressing fact is that we give no indication whatever of having come to the necessary conclusion that such is the situation and that something needs to be done about it. So long as this is true we shall be under a severe handicap in any ultimate struggle with the communist system.

Our System Infinitely Superior

It is our considered opinion that our American system of free enterprise and dependence upon individual initiative and self reliance is infinitely superior to anything that Karl Marx or Lenin or any of the others ever dreamed up. We are also convinced that we are not well suited to get the most out of any system such as the Communists advocate — suited neither by temperament nor by custom of thinking to compete successfully with the Russian or any of the other Communist led major nations on any such footing. The Communist doctrine teaches that the state must do the planning and the managing, but it expects ardent endeavor on the part of the individual to meet the requirements of the state.

There is little or nothing in any of these systems which suggests that the state is somehow to do the work while the individual takes it easy. We must give credit where credit is due; the communist credo is based upon ardent endeavor by each and every individual to the limit of his capacity. All too much of our imitation of communism is designed to lift burdens from the individual in the apparent belief that some metaphysical state can do the work the individual must do in any form of society.

Neither can we be at our best in the continuing contest with communism through the future years if under any name or by any pretext we undermine our traditional economic system by special treatment for some groups or elements in the population or relieve any of the rigors of competition either at home or abroad. Competition in a very real sense of the term is the life of a vigorous economic system. It matters not in principle at least whether we excuse the farmer by special legislation from the rigors of competition, whether by excessive tariff protection we relieve the manufacturer of worry about what his foreign competitors are doing (or think we do), or whether by one means or another we grant to a small group of labor leaders a monopoly over the supply of manpower in the economy. Any and all are poisonous, we deceive ourselves when we talk about farming as a "way of life" and then proceed to do things in the name of agriculture we should never for a moment consider seriously in other sections of the economy.

We are equally blind to the realities of life when we employ the right of free speech to defend the kind of picketing that is now all but universal in labor disputes, or continue to talk about giving the wage earner an "even break" with the employer. Neither are we wise in making use of the results of our pampering of the wage-earner to attempt to justify higher and higher tariff duties or more and more arbitrary aid to shipping and other means of transportation. It may well be true that in the circumstances which we ourselves have created our ships and our planes could not function in competition with those of other countries without aid of one sort or another from government, but had we not better give more consideration to relieving our enterprises from this handicap rather than accept it as inevitable?

Whatever the President may say to Mr. Khrushchev, or whatever may be his intentions about meeting the aggressive tactics of communism in the years to come, these are matters to be attended to here at home if we are to gird our loins for the combat that will come.

LETTER TO THE EDITOR:

"Once Bitten, Twice Shy"

As much as he would like to agree with Dr. McGuire's proposal and reasons for issuance of government bonds with an irrevocable gold clause, Mr. Norman's deep personal knowledge and experience leaves him skeptical as to our government's integrity. "Who," he asks, "in their right mind will ever trust our government again to keep its promise?"

Editor, Commercial and Financial Chronicle:

I read with great interest the excellent article by Mr. Constantine E. McGuire in the *Chronicle* of May 4. There is no question that Mr. McGuire is standing on solid ground when he advocates that we issue government bonds with an irrevocable gold clause with the mint value specified, etc., etc.

The entire article is most scholarly and his reasoning is flawless with one exception. That exception is who is going to ever trust our government again however strong its promise? In 1933, the government under Franklin Roosevelt outlawed and revoked the gold clause in private and public contracts. It even repudiated the payment of gold on outstanding gold certificates which were in fact warehouse certificates which was money specifying "This is to certify that there has been deposited in the Treasury of the United States $20 in gold coin payable to the bearer on demand." Of course they were issued in all denominations from $10 upward to $1,000 or more. If ever a warehouse receipt was issued to anyone with a specific promise to pay on demand, this was it. Yet, the government repudiated it. The Supreme Court of the United States upheld this confiscation. Moreover, the government passed legislation which made the holding of gold coin illegal and compelled citizens to turn it in for paper money under threat of fines and jail if they refused.

For years, in fact since about 1890, when people mistrusted the schemes of the silver lobby who wanted to make silver exchangeable for gold on a parity of 16 ounces of silver for one ounce of gold, people wanted to protect themselves against the sovereign and the politicians and inserted in most, if not all long term contracts where money was loaned and in bonds of corporations and the Federal Government, a gold clause to protect themselves against exactly what happened under the New Deal in 1933. Then when those who thought they had protection resorted to the courts of the nation and the Supreme Court of the U. S., they were told that the government had the power to do what they did under the Section 8 of Article I of the Constitution which provided that the Congress shall have power "To coin money and regulate the value thereof, and of foreign coin, and fix the standard of weights and measures."

Who in their right mind will ever trust our government again to keep its promise? The dissenting opinion in the "Gold Clause" cases rendered by Justice McReynolds was devastating and forthright, but the majority nevertheless upheld the unholy acts of the government. It is common knowledge, and so stated in memoirs of those who knew, that President Roosevelt was prepared to override the opinion of the Supreme Court had it gone against the government and had memoranda drawn up to circumvent any adverse decision of the Supreme Court. This was outlined I think in the history of the New Deal by Sam Rosenman.

Just what can the government do to protect the public who would lend money under a gold clause after what has happened in 1933? Even at the present time in fact only about six months ago President Eisenhower declared that it is now illegal for an American to hold gold outside the U. S. As the government and the politicians proceed to inflate and incur deficits and squander money all over the world and while the dollar rots in the markets of the world, the government tries to make it impossible for the citizen to protect himself against paper money. This is nothing new. It has happened in France, in Germany, and as far back as recorded history relates the methods of the sovereign clipping and sweating the coin of the realm.

With all history revealing that the sovereign cannot be trusted to maintain the integrity of the currency and that the sovereign cannot be sued, just how will Mr. McGuire propose to protect the public against another repudiation and confiscation and repetition of the New Deal? An ironclad amendment to the Constitution may help; but after the ruling of the Supreme Court in the Gold Clause cases, they would probably find even a method of upholding another repudiation of the gold clause as outlined by Mr. McGuire.

I am all for Mr. McGuire's proposal, but "once bitten, twice shy."

NORMAN C. NORMAN
Financial Consultant

130 West 42nd St.,
New York 36, N. Y.

P.S. The writer brought suit against the Baltimore and Ohio RR. in 1933 under the gold clause in its then outstanding bonds. The several gold clause cases usually come under my name, *viz: Norman v. B. & O. RR.*

E. F. MacDonald Common Offered

The first public offering of shares of The E. F. MacDonald Company, Dayton, Ohio, an organization devoted to the creation and administration of incentive campaigns to achieve sales objectives, is being made today (June 1). The offering consists of 275,000 shares of common stock and is being made by a group headed by Smith, Barney & Co., Inc., New York City and Merrill, Turben & Co., Inc., Cleveland, O. The stock is priced at $19 a share.

The company will receive no part of the proceeds from the sale of the stock. The shares offered are already outstanding and constitute approximately 25.8% of the total shares of capital stock outstanding. Substantially all present stockholders are employees or former employees of the company.

The E. F. MacDonald Co. believes that with its subsidiaries it constitutes the largest organization in the sales incentive field. The business, originated in 1922 by its president, Elton F. MacDonald, has shown a profit in every year except for a small loss in 1933. The company's incentive campaigns utilize merchandise and travel awards to stimulate the efforts of salesmen and other personnel of its customers or merchandisers of its customers' products. The company has for many years conducted its operations throughout the United States and in Canada and has recently commenced operations in Great Britain, West Germany, Switzerland, Belgium, Luxembourg, The Netherlands, France and Italy.

Net sales during the year ended Jan. 31, 1961 totaled $53,739,588 and net earnings $1,140,737, equal to $1.07 a share on 1,065,100 shares of Class A common stock and common stock. The company currently pays quarterly common dividends of 12½c a share.

Meisel & Co. Formed

Meisel & Co., Inc. has been formed with offices at 132 Nassau Street, New York City (c/o Murray S. Mark) to engage in a securities business. Officers are Theodore Meisel, president, and Nathan Solomon, secretary.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Reactionary and mixed tendencies continued to hold sway in the stock market more times than not; with the old-line favorites, which had been widely heralded as being the ones set to take over leadership, instead contributing the confusing element that kept the general list restrained.

With Memorial Day past — which has been the dividing line more years than not between uncertainty and a summer rally— and business reports continuing to show a good rebound, there was little chagrin in Wall Street and only a waiting attitude until industrials are back in favor to continue their exploration of a high altitude never before seen in history.

At the moment the lacklustre performance of the market late in May cannot obscure the fact that it was, up to there, the month when the all-time high was reached by industrial shares.

As a matter of fact, the late unrest wasn't able to counteract the buoyant markets of early in the month, and for the full calendar period, the averages in general were able to show sturdy improvement well ahead of the uncertain showings made in April and the somewhat mixed operations of March.

Interest continued to expand when the markets were in good form, and waned when there were profit-taking, unfavorable news and reactionary tendencies around. And few market technicians could discern anything that spelled out a clear-cut danger signal for the future.

All available evidence indicated no dearth of investment money waiting either for a more favorable market climate or for situations that showed they were either making a turn for the better or definitely neglected and behind the market to an extent not warranted by available facts.

Stock Split Stimulus

Stocks splits continued to exert a powerful force even where there was no particular surprise to an announcement and the action had not only been well anticipated but even, in cases, officially promised. There was little surprise element to the splits becoming official, in for instance, American Home Products and Texaco but the official news was still greeted enthusiastically and the issues swept to solid postings on the lists of new highs.

Some of the enthusiasm in top grade items like du Pont and American Telephone, as well as that in some low-priced specialties, particularly those on the American Exchange, was killed off by government actions. The problems of du Pont successfully divesting itself of a mammoth bundle of General Motors—63,-000,000 shares — still called for considerable conjecture. And pointing up the chore was the sharp retreat beaten by Ford when it was disclosed that the Ford Foundation was readying another public offering of 2,750,-000 shares from its holdings. But the high grade chemical stock had found some support after it had shed only around a score of points and was still in no position to violate its 1961 low.

The same situation prevailed in A. T. & T. where threats of antitrust action were posed. It retreated around a dozen points from its all-time peak, but found support without ever approaching its year's low. And even on that mild reaction there were some advisors around hailing the reduced level as a better bargain price for the shares.

Rails managed to make a fair showing for May but there was still no indication that they were building up any widespread investment interest as the cyclical items that were bound to benefit from the improving business situation, or as items available at definitely above-average yields. Actions in Washington to trim dividend benefits, as a matter of fact, were hardly calculated to make yield any type of popular conversation piece.

High-Yielding But Un-Glamorous Utilities

The utilities were not overly conspicuous and it again was a case where their solid yields contributed little in the way of glamour. In this group the sometimes wonder-worker was Commonwealth Edison after the annual meeting was told that the company might consider a stock split, or in any event was not completely opposed to one.

One low-priced item in the utility section that offered a yield well into the 4% bracket, and by other yardsticks seems reasonably priced, is Suburban Propane Gas. It is the largest of the distributors of liquified petroleum gas.

Helping hold back Suburban Gas in recent years were steady conversions of preferred into common which has kept the per-share showing of the common from keeping up with the rapid increases in revenues and net income. In a decade the company's revenues have trebled while profits doubled.

However, the conversions have removed some 135,000 preferred shares from the capitalization, leaving less than 29,500 around for future dilution of the common, so this deterrent factor is fast running out of efficacy.

Despite the recession, Suburban's showing last year was a 22% improvement in per-share earnings on record revenues. Its cash position is good, its management acquisition-minded, the price of the shares about midway in the 1961 range and its prospects bright.

Exchange-Bound Item

A gas transmission item, currently traded over-the-counter, that is preparing to move to the New York Stock Exchange and possible new institutional interest, is Texas Eastern Transmission, which also offers a yield in the 4% bracket. The company has wide interests in the oil business, apart from its gas transmission work, and in petrochemicals which could be the area in which the bit expansion of the future can take place. Like other utilities, it was able to show good results through 1960 that all but ignored the existence of a recession in other lines.

Although there is little in the way of shipbuilding shares from which to choose, the industry has never been overly popular with investors and Newport News Shipbuilding, for one, offers 4½% on an isssue selling only 11-times its estimated 1961 profits.

The industry has been one of the more cyclical ones, at least until the cold war came along. But per-share earnings of Newport have been growing steadily, and its work on nuclear and conventional vessels stretches out to completion dates running to 1964. Among the ships on which it is busy is the nuclear powered aircraft carrier which is to be the largest and most powerful ship ever built. Outside of government yards, it is one of two private yards equipped to make Polaris submarines, which is an activity that is not only stepped up but one of the major defense activities that is more or less guaranteed to continue for several years. Well established, in good financial shape, and facing no sudden cessation of major projects through shifts in defense emphasis, Newport News would seem to be out of the cyclical circle for some time to come.

A Modestly Capitalized Value

In markets where low capitalizations are the standard alibi for volatile price action, Manhattan Shirt is a glaring example, an issue that has wandered over only a seven point price spread all year with about an average dividend yield and one of the lower price-earnings ratios around.

The company is best known for its men's shirts, but that ignores the fact that its ladies' apparel work has been the growing one in its lineup. The division in some five years has grown from nothing to where it accounts for about a fifth of total sales currently, according to some estimates. Not only does the company have less than 425,000 common shares outstanding, but a third of them are controlled by the management, which reduces the float that much more. Nevertheless they have been hovering at a market price that was well under book value and even below working capital, to indicate that a thin market doesn't necessarily guarantee volatile price action.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Form Central N. Y. Inv.

UTICA, N. Y.—Central New York Investing Corporation has been formed with offices at 214 Columbia Street. Officers are George D. Harris, President and Treasurer; M. Pavese, Vice-President and Secretary. Mr. Harris was formerly sales manager for the Central New York Investment Co. Miss Pavese was with Hagan Investing Corp.

Form Earle Securities

Earle Securities Co., Inc. is conducting a securities business from offices at 350 Fifth Avenue, New York City. Officers are Earle H. Grossman, President, and Sidney Brozman, Secretary-Treasurer.

Form Growth Fund Co.

HOMESTEAD, Fla. — Charles F. Ivins is engaging in a securities business under the firm name of Growth Fund Investments Company. Mail address is Route 1, Box 336.

N. Y. Analysts Name New Officers

Macurda, New Pres., Warns Against Overspeculation

Donald B. Macurda, general partner of F. S. Smithers & Company of New York, has been elected President of the New York Society of Security Analysts, Inc., succeeding Edward S. Wilson of W. E. Barnet & Company, also of New York, it was announced.

Donald B. Macurda

In accepting his new post, Mr. Macurda, a 30-year veteran in the financial field and in charge of research for Smithers, told the annual business meeting May 26 that "repeated warnings against overspeculation are going unheeded, despite the fact that we have reached the ionosphere area of one of the longest major bull markets in market history."

He also cautioned members of the Society that they "more than any other single group in Wall Street" are charged with "keeping sanity in the marketplace."

Mr. Macurda, former Vice-President of the Society, is an associate member of the American Institute of Mining, Metallurgical and Petroleum Engineers, a member of The Mining Club, The Broad Street Club and Wall Street Forum.

The new President noted that the financial analyst has gained greatly in stature over the past decade, but must be even more careful of his workmanship, and restore time-tested methods of evaluation and investment programming to the public consciousness. Otherwise, he said, "the mounting speculative fever may create another 1929 delirium, and with it may go not only our hard-won prestige of recent years, but even more precious privileges and opportunities that go with a free society."

Other officers elected by the Society were Edward R. Holt, Executive Vice-President, Newburger, Loeb & Co.; George F. H. Nelson, U. S. Steel and Carnegie Pension Fund, and Gerald L. Wilstead, Hallgarten & Co.; Vice-Presidents; Thomas H. Lenagh, Ford Foundation, Secretary; Todd G. Alexander, Auchincloss, Parker and Redpath, Treasurer.

The new President has long been regarded as one of Wall Street's leading authorities on the extractive industries, particularly aluminum and the other non-ferrous metals, where his writings cover a span of 20 years. He also is the author of definitive studies on iron ore, coal, petroleum, gold and silver.

NYSE Names Kellstadt

Keith Funston, President of the New York Stock Exchange, has announced the election of Charles H. Kellstadt, Chairman of the Board of Sears, Roebuck & Co., Chicago, as a Public Governor of the Exchange.

Mr. Kellstadt succeeds Thomas J. Watson, Jr., President of International Business Machines Corp., who is completing his third one-year term as a Public Governor. Other Public Governors are Dr. Courtney C. Brown, Dean of the Columbia University Gradute School of Business, New York City, and Thomas B. McCabe, President of Scott Paper Co., Chester, Pa.

The office of Public Governor was created in 1938 to bring to the Exchange's Board a closer understanding of the public viewpoint and interest. The Board is composed of 30 other Governors representing the Exchange Community, including the Chairman and the President of the Exchange.

Firm Name Now Thornton, Mohr, Farish & Gauntt

MONTGOMERY, Ala.—The firm name of Thornton, Mohr & Farish, Inc., First National Bank Building, has been changed to Thorton, Mohr, Farish & Gauntt, Inc. The firm maintains a branch office in the Bell Building, Montgomery.

Blyth Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—George E. Forrester, Orlando R. Jenkins, William H. Magruder, Edward C. Pfeiffer, Charles F. O'Connor and Donald E. Weed have joined the staff of Blyth & Co., Inc., Russ Building. All were formerly with William R. Staats & Co.

Investment Associates

SIOUX CITY, Iowa — Officers of Investment Associates, Inc., Badgerow Building, are Stephen DeVries, President; John H. DeVries, Vice-President; and M. DeVries, Secretary-Treasurer.

A 1960-61 Summary Report Of the Mutual Savings Banks

By Dr. Grover W. Ensley,* *Executive Vice-President, National Association of Mutual Savings Banks, New York City*

Dr. Ensley explains the relative stickiness of mortgage rates, and the role of mutual savings banks in bringing down those rates in the areas they operate. He outlines the problems facing the banking group and measures being taken, and should be taken, to alleviate them.

The general business contraction appears to be bottoming out, with signs of an upturn. Seasonal factors are also contributing to increased business activity. It remains to be seen, however, how strong the recovery will be and whether full employment will be achieved in the coming months.

Dr. Grover W. Ensley

As in other postwar recessions, demands for credit from each of the major sectors of the economy declined, while liquid saving increased. These demand and supply forces have caused interest rates to fall. However, in the current recession foreign economic considerations have presented an obstacle to the full use of monetary policy in bringing rates down. The entire structure of long-term yields, although down, is still higher than in earlier postwar recessions.

The fact that mortgage yields have moved sluggishly has created considerable comment, particularly from those who look to easier credit to spur housing and home construction. Although not unusual, it seemed pertinent to offer an explanation of the behavior of mortgage yields in our Annual Report. Let me summarize this phenomenon briefly. While price is the main point of negotiation for such highly standardized commodities as Aaa corporate issues, the number of variables to be negotiated, in addition to price, multiplies as one moves into the market for residential mortgages. Numerous contract terms — down payment and maturity provisions, prepayment penalties, appraisal values, and non-interest costs — are more sensitive than interest rates. Administrative costs also play a part in the relative stickiness of mortgage rates.

Furthermore, wide geographical variations in mortgage rates exist, reflecting differences in rates of regional economic growth as well as local savings and mortgage market conditions. Rates, for instance, are generally lower where savings banks are located and where population growth has lagged and competition among thrift institutions has generated a relatively ample supply of mortgage funds to meet local demand. This fact is one of our industry's most telling extension arguments.

Let me interject here that mutual savings banks are not motivated by profit, as are perhaps other financial institutions in the savings business during periods of high interest rates. Rather, as conduits of savings which pass on to depositors all returns after expenses, taxes, and additions to reserves for losses, mutual savings banks consistently encourage thrift whether rates are high or whether they are low.

Savings Deposits Are Up

In the business and financial climate of the past months, savings bank deposits have increased. During 1960 the rise in deposit gains was due to reduced withdrawals and higher interest credits. In the early months of this year, however, not only were withdrawals down but there was an increase in new deposits.

This deposit activity followed an historical pattern of consumer reluctance to add to indebtedness during periods of business slack and a tendency for individuals to keep their savings in more liquid form. Thus net deposit gains for 1960 were somewhat greater than in 1959 and for the first quarter of 1961 they were over twice the gain in the first quarter of 1960. Savings bank deposits now total more than $37 billion and resources exceed $41 billion.

Savings bank investments during the last half of 1960 continued to be concentrated in mortgages, with sales of U. S. Government securities reaching a nine-year high. As deposit inflow rose early this year and as mortgages became less available savings banks purchased a greater volume of governments than in the corresponding months of any year since the early postwar period. During March, however, net mortgage acquisitions by savings banks rose to a five-year high for that month of the year, while holdings of governments continued to increase.

As deposits grew, earnings increased and further improvements in the efficiency of internal operations were realized. Nearly $1.3 billion in interest was paid depositors in 1960.

This generally favorable deposit, earnings and interest picture for savings banking cannot be accepted with complacency. Competition continues unabated and any upturn in the economy may cause individuals once more to draw down their liquid savings and to incur new indebtedness in order to purchase durable goods and to purchase higher yielding investments. An analysis of the yet scattered and preliminary deposit figures for April suggests that these forces are at work and are again making inroads on our growth.

Speaking in more general terms, I want to stress the importance of increasing the flow of voluntary savings so that the many promises of new higher levels of living can be realized in the 1960s. In his State of the Union Message, President Kennedy said: "We must show the world what a free economy can do—to reduce unemployment, to put unused capacity to work, to spur new productivity, and to foster higher economic growth within a framework of sound fiscal policies and relative price stability."

If these objectives are to be achieved, there must be an increase in capital formation — an increase that can only be achieved with a steady rise in savings. It is appropriate in this connection to emphasize that those industrially advanced nations that have showed exceptionally rapid economic growth in recent years are the nations that have devoted a larger proportion of gross national product to capital formation and have experienced higher rates of savings.

Indeed, many foreign governments, in recognition of the relationship among economic growth, capital formation, and saving, have adopted national thrift promotion programs and monetary and fiscal policies to stimulate saving. The new Administration has recognized the need to stimulate private investment and to step up capital formation as necessary steps in achieving a more rapid rate of growth. The savings banking industry urges that equal recognition be given to the role of saving in achieving sustained and sound economic growth. This, I might add, was the theme of our Third Washington Conference in March.

Outlines New Approaches

The Annual Report outlines specific programs which have been undertaken by your National Association, in co-operation with the several state associations, to help savings banks increase their usefulness, both in the areas where they now operate as well as in new sections of the nation. Association action on Federal and state chartering is described as is the study of a central industry fund to aid in the establishment of new savings banks and strengthen existing institutions.

Other Association activities for achieving growth that are outlined in the Report include development of new types of thrift accounts and auxiliary services: effective defense of the equity of the present tax status of mutual thrift institutions; and continued improvement in the efficiency of internal operations. The opening of the Graduate School of Savings Banking at Brown University in June of last year was an important step forward in providing our industry with an increasing number of educated, professionally-trained corps of officers and employees. Expanded public relations activities, including the national advertising program, have substantially increased public knowledge of savings banking.

A new communication service was launched this January — a Letter to Trustees of Mutual Savings Banks. It is designed to provide savings banks management with timely facts on national economic, financial and legislative developments. Response to this letter has been gratifying. More than 9,000 trustees, corporators, and officers in 386 savings banks in all 17 states where mutual savings banks are located are now receiving this letter. A trustee of a savings bank in Massachusetts, who is also Mayor of his city, wrote us: "I wish to compliment your organization on the content of this letter, which is not only brief but very factual and very informative." A leading Midwestern mortgage banker and trustee said: "I think it is going to mean a great deal to the trustees of savings banks to have a letter pointed directly to the problems of the economy as related to the position of a trustee of a savings bank." We were particularly glad to hear from a bank commissioner, who wrote: "I think this is an excellent idea. The letter should serve in many instances to fill a serious communication gap." Other comments have been equally encouraging.

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*From a talk by Dr. Ensley before the 41st Annual Conference of the National Association of Mutual Savings Banks, Philadelphia, Pa.

Harnack & Co. Formed

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif. — Harnack and Company has been formed with offices at 139 South Beverly Drive to engage in a securities business. Officers are Ronald S. Harnack, President; Robert G. Cable, Vice-President; and Jack E. Roberts, Treasurer. Mr. Harnack was formerly with Waddell & Reed, Inc.

New McCarley Branch

ANDERSON, S. C.—McCarley & Co. Incorporated has opened a branch office at 615 North Main Street under the management of H. Kendall Hobbs.

Fred O. Pickens is associated with the new office as registered representative.

LETTER TO THE EDITOR:

Johannsen Rebuts Cortney On Money Unit's Definition

A gold standard "should remain inviolate," Mr. Johannsen maintains in taking issue with Mr. Cortney's definition of what constitutes our monetary unit. The contributor says our monetary unit is 1/35th of an ounce of fine gold and it is called a dollar. If the dollar buys less it does not mean, he adds, we should re-define the unit. Mr. Johannsen describes those who favor a higher gold price "in an undeclared alliance . . . with unsound money men in desiring a re-definition of the dollar." Don't make the standard the culprit, he concludes, when the culprit is the profligate issuance of IOUs, nor load it down with criteria "which would make our present inane national monetary bureaucracies citadels of wisdom and virtue by comparison."

Editor, Commercial and Financial Chronicle:

Mr. Philip Cortney's criticism (April 6) of my letter (Feb. 23) points up the fact that probably much of the disputation among

O. B. Johannsen

Philip Cortney

sound money men is caused by the inclusion of items as criteria of a gold standard which it would be better were not involved at all.

As this writer explained, once a people, through their daily transactions, have chosen a particular commodity as a medium of exchange, it is patently wise to define a unit of that commodity so that exchanges can be made conveniently in terms of it. In the case of a metal, this means agreeing upon its purity and weight and assigning a name to the unit. Strictly speaking, that is probably all that should be considered to be the criterion of a gold standard. In the case of our country this amounts to stating that our monetary unit is 1/35th of an ounce of fine gold and calling that unit a dollar.

The Definition Is All Important

After all, that is similar to what is done in establishing any standard. To weigh commodities the people evolved a unit they called the avoirdupois pound, which through an act of Congress on June 14, 1836 was, in effect, legally defined as consisting of 16 ounces. Obviously, the only criterion of this pound-standard is the definition. The fact that the government might have then, or subsequently, enacted legislation setting up an inspection bureau to test scales and making it a crime for inaccurate scales to be employed commercially would have nothing to do with the pound-standard, as such. Because such governmental functions might exist is no reason to include them as criteria of the pound-standard, for to do so would, no doubt, lead to confusion.

For example, people with defective scales, calibrated so that eight ounces registered a pound, might argue that their scales were not erroneous, but that the pound-standard was at fault and not in keeping with the facts of life. They might claim that because the people were not purchasing smaller quantities of things that the pound should be re-defined to be eight ounces. To defend the pound-standard, thus, one might become involved in disputes as to whether scales were accurate, not to mention a host of administrative and juridical problems which would have nothing to do with the standard. And the most unfortunate result of all would be that instead of the people's attention being directed to the fact that defective scales were being used and that they should be eliminated, the people would be debating whether the pound-standard should be changed to eight ounces instead of 16. And in the debate, no doubt, some would advance the argument that the pound-standard should be eliminated entirely as it had obviously fallen down and did not serve its function of protecting the people from chicanery.

Unfortunately, something analogous to this has arisen in the case of the gold standard. It is recognized that the gold standard involves the definition of the monetary unit. However, regrettably, allied with it have grown up such criteria as the redemption of the government's circulating IOUs (U. S. Notes), and/or the government's central bank's circulating IOUs (Federal Reserve Notes and demand deposits) in gold.

People Said to Be Discounting Government IOUs

Much confusion has occurred as a result, probably because with the people using these IOUs to effect exchanges, the government has taken advantage of this fact and has injected massive doses of them into the marketplace. With so many of these IOUs in hand, the people, quite unconsciously, have been discounting them by exchanging more of them for goods and services. The people say that prices are rising. The fact is that the people are discounting the circulating debts of a profligate — our government — and discounting them at an increasingly higher rate.

Observing this, some have jumped to the conclusion since these so-called prices have risen that, therefore, the "price" of gold should also rise, which means that the monetary unit should be revised. But, as explained in my previous letter, gold has no price since it is money, and what these people are really demanding is that these IOUs should be discounted at a higher rate with respect to gold, just as they are being discounted with respect to most other goods and services.

Requires Freedom

Now, it should be obvious that associated with every standard is freedom of action. When the pound-standard was set up, associated with it was the assumption that the people would be free to utilize this standard in weighing things in any manner they wished, otherwise there would be no point in setting it up. Similarly, associated with the gold standard is the freedom to use the dollar in any way the people desire, which means associated with the gold standard is the freedom to exchange gold for other goods and also other things as these IOUs. The people must have this freedom, and this writer emphatically stated that to prohibit gold producers, or anyone, from exchanging their gold for these IOUs, or

anything else, is a violation of their rights.

What has happened is that because, as presently conceived, the gold standard includes among its criteria, the redemption of these IOUs in gold, and as the government has refused to honor these debts by redeeming them, this convertibility feature has been under attack. Since this is deemed to be a part of the gold standard, it inevitably led to an attack on it, which meant an attack on the monetary unit.

In defending the convertibility feature of the gold standard, a division in the ranks of the sound money men has developed. Some insist that the monetary unit must not be altered. Others, who claim they are facing up to the facts of life, urge that the monetary unit be debased, either arbitrarily or through a so-called "free" market. They expect, thereby, to make the convertibility feature "good" by, in effect, discounting all these IOUs by 50% or more. Thus, we have the ludicrous situation of some sound money men in an undeclared alliance, no doubt most distasteful to them, with unsound money men in desiring a redefinition of the dollar.

Standard Should Remain Inviolate

If it were recognized that this convertibility feature should not be considered a criterion, and that the gold standard is what the words imply — a standard — and, therefore, should remain inviolate, it is possible that much of this dispute among sound money men would end. It would then be apparent that the issuance of circulating debts by the government or its central bank has nothing, whatever, to do with the monetary standard; that, instead, they are merely debts, no different from the debts of any individual and they should be treated as such. Then, sound money men could join hands in defending the standard, and could concentrate their fire on the culprit — our profligate government — and demand that not only should it cease issuing these IOUs but should retire those in existence as rapidly as possible in an orderly manner.

That the inclusion under the gold standard of such extraneous items as convertibility results in questionable conclusions is evident from Mr. Cortney's letter for it leads him into arguing that "in order to return to a genuine international gold standard we would have to restore a normal relationship between our gold reserves, the annual production of gold, and our quantity of money and credit, prices and wages," and also that we would "have to make certain that the overall gold liquidity of the free countries is adequate."

Well, this writer fears, if that is what a gold standard is now supposed to encompass, it loads it down with criteria more hampering than presently are considered to exist, and would probably result in the creation of a world-wide controlling monetary bureaucracy which would make our present inane national monetary bureaucracies citadels of wisdom and virtue by comparison.

O. B. JOHANNSEN

825 Walnut Street,
Roselle Park, N. J.

Link, Gorman Branch

OSWEGO, Ill. — Link, Gorman, Peck & Co. has opened a branch office on Main Street, under the management of Fred D. Schwanz.

Form Bayes & Co.

FRANKLYN SQUARE, N. Y.—Bayes & Co., Inc. has been formed with offices at 918 Hempstead Turnpike to engage in a securities business. Officers are Sol Bayes, President and Treasurer, and Rebecca Leftoff, Secretary.

Name Finalists For NABW Award

CHICAGO—Each year the National Association of Bank Women perpetuates the memory of one of its distinguished founders, Jean Arnot Reid, by presenting an award in her name to the women with the highest record in the American Institute of Banking courses. The award consists of a $250 cash prize plus a trip to the annual national N.A.B.W. convention with all expenses paid. The 1961 convention will be held from Oct. 9 through 12, Sheraton Hotel, Rochester, N. Y., where the Jean Arnot Reid award will be officially presented.

The 10 finalists for this year's Jean Arnot Reid award are: Mrs. Dorothy Allen, First American National Bank, Nashville, Tenn.; Florence T. Aspel, Wells Fargo Bank American Trust Co., San Francisco, Calif.; Lois M. Barden, First National Bank in Oshkosh, Wis.; Elva M. Crawford, Bank of America N. T. & S. A., Sacramento, Calif.; Beverly J. Kent, City Trust Co., South Norwalk, Conn.; Mrs. Betty L. Newstrom, Wells Fargo Bank American Trust Co., Stockton, Calif.; Doris A. Payne, Lincoln Rochester Trust Co., Rochester, N. Y.; Mrs. Helen T. Roy, the First National Trust and Savings Bank of San Diego, San Diego, Calif.; Mrs. Frances H. Stalder, the First National Bank at Orlando, Orlando, Fla., and Wilma H. Wackerle, the Detroit Bank and Trust Co., Detroit, Mich.

Now Abram Rosen Assoc.

MAPLEWOOD, N. J. — The firm name of Mutual Fund Associates, 108 Wyoming Avenue, has been changed to Abram S. Rosen Associates, Inc.

Williston, Beane Branch

WESTPORT, Conn. — J. R. Williston & Beane has opened a branch office in Building 3, Village Square, under the management of Walter Ruzzuti.

Mark Helmreich Opens

Mark Helmreich is engaging in a securities business from offices at 79 Wall Street, New York City, under the firm name of Mark Helmreich Co. Mr. Helmreich was formerly with S. Schramm & Co., Inc., and Bear, Stearns & Co.

With McDonnell & Co.

Francis B. Farr has joined McDonnell & Co., Incorporated, members of the New York Stock Exchange, it was announced, in the firm's 250 Park Avenue, New York, office.

In Inv. Business

SCARSDALE, N. Y. — Belmont Associates is conducting a securities business from offices at Six Archer Lane. Partners are Melvin H. Rosenblatt, Philip Holzer, Israel Zipes, and Jack Zipes.

Form Brunell Secs.

Kay Brunell is engaging in a securities business from offices at 277 Park Avenue, New York City, under the firm name of Kay Brunell Securities Company.

MUTUAL FUNDS

BY ROBERT E. RICH

Inside Wellington

The selection and management of equities opportunities is an arresting subject to everyone associated with the investment field. When the exposition is provided by able Robert H. Kenmore, the senior security analyst of Wellington Management Co., it is especially worthy of the closest attention.

Incidentally, it was young Bob Kenmore, who, back in the autumn of 1958, told in *The Commercial and Financial Chronicle* of the investment opportunities in the missile industry.

At the Wellington Management Co., Bob deals with two funds. One is the balanced conservative Wellington Fund, with some billion and a quarter of assets, of which about $830 million is invested in common stocks. The other is the Equity Fund, with over $65 million, a common stock fund whose objective is long-term growth of capital through appreciation.

While the differing objectives of the two funds result in a variation of stock selections, there is nevertheless a common philosophy that is bound to earn the respect of every money manager, broker, dealer, salesman and investor. Summed up by Bob Kenmore in a half dozen words, it is: "aggressive money management through quality holdings."

What does Kenmore mean by "aggressive"? Listen:

"Well, in the Wellington Fund I mean that with the growth of the fund in the last five years, while our total investment in common stocks has more than doubled, the number of common stocks among which these monies were distributed actually decreased 30%—from 177 companies to 118 currently, and our average investment in each company rose from under $2,000,000 per issue to close to $6,000,000 per issue."

"Thus, one factor of money management here has been that just because you grow in size does not mean that you have to end up owning a piece of every major company in the country, all in the name of diversification. Another striking factor of the Wellington Fund portfolio is that at the close of 1960 only half of the same names were there as in 1954. Changing patterns in the economy had made it clear to Kenmore and his colleagues that investment emphasis should be shifted. He observes shrewdly: 'In this business you just can't sit down and draw up an approved list of potential investments that is going to stay valid for any length of time.'"

But while economic patterns are undergoing change and there is much talk of speculation vs. conservatism and that sort of thing, nothing really has changed in the basics of investment selection, Kenmore reasons.

"What we are all looking for, in the most ideal sense, are companies whose sales are going to go up, whose profit margins are going to go up, whose earnings are going to go up and whose price-earnings multiple is going to go up," Kenmore says, "all of these things compounding each other to produce the most successful investment results from higher dividends and prices."

Experience has taught Kenmore that this ideal is seldom completely attained. But the goal is to build an investment "screen" that will filter out the companies that best qualify on these points and thus come out at the bottom of the screen with the most attractive investment opportunities. Harking back to the months after World War II, Kenmore figures the kind of company that would have been most likely to filter through his screen would be a United States Steel or a General Motors. Today different companies are passing through this investment screen—not only at Wellington but in the workshops of other investment companies.

In our next column we hope to go deeper into Wellington and the people who make it tick. For the people who sell mutual funds, it is organizations such as Wellington and people such as Kenmore, always devising programs to meet individual investment needs, who make the daily chores a good deal easier.

The Funds Report

Affiliated Fund Inc. reports that at the end of April net assets were $732,925,401, equivalent to $8.31 a share. At the last fiscal year-end, Oct. 31, net assets were $585,947,573, or $7.07 a share.

In the latest six-month period the company added Amerada Petroleum, Bobbie Brooks, Borman Food Stores, Continental Oil Co., Hazeltine Corp., Perkin-Elmer, Permanente Cement, Stop & Shop, Suburban Gas and Western Union Telegraph. Over the same span it eliminated American Cement, Atlantic Refining, Champion Paper & Fibre, First National Stores, Kimberly-Clark, Merck & Co., Radio Corp. of America, Sinclair Oil and Parke, Davis.

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American Mutual Fund reports net asset value per share on April 30 was $9.53 as total net assets reached an all-time high of $154,138,478. Per share value at Oct. 31, 1960 was $8.

In this semi-annual report to shareholders it also was disclosed that during the latest quarter, Consolidated Edison of New York, International Shoe, United Shoe Machinery, Whirlpool and Youngstown Sheet & Tube, became new additions to the portfolio. During the period the company eliminated Colgate-Palmolive, General Cable, General Motors, Paramount Pictures, H. H. Robertson Co., Tennessee Gas Transmission, U. S. Steel, Virginia Electric & Power and F. W. Woolworth & Co.

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Boston Fund closed the first fiscal quarter of its 30th year on April 30 with record quarter-end highs in net asset value per share and total net assets. Shares were valued at $19.22 on that date. At the fiscal year-end on Jan. 31, the share value was $18.13.

Total net assets at the quarter-end amounted to $280,909,327, or some 27% more than the assets of $220,937,856 of a year ago. Three months earlier, net assets were at $257,615,686.

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Channing Corp., a holding company with financial and insurance divisions, reported that net profits from operations combined with capital gains on the sale of its industrial division totaled $2,733,496, equal to $2.34 per share of common stock, for the year ended Dec. 31, 1960. Of this amount, $1,149,824, or 98 cents per share, was attributable to operations and $1,583,672, equal to $1.36 per share, accrued from capital gains.

In reporting to shareowners, Kenneth S. Van Strum, Chairman of the Board, emphasized the transition in Channing's corporate structure and noted that 1960 results reflected only four months' operations of Chanslor & Lyon and 11 months of the Nice Ball Bearing Co. Both of these industrial division components were sold during the year. "For this reason," he stated "it is impossible to make valid comparisons with performance records of previous years."

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Total net assets of over $90 million at April 30 were reported by James H. Orr, President of **The Colonial Fund Inc.** in the quarterly report. The net asset value per share was $11.70 on April 30, a new high. This represents a 21.1% increase in the net asset value per share in the six months since the fiscal year-end on Oct. 31, 1960. Net assets were $90,931,000, or $11.70 per share on 7,458,000 shares outstanding at April 30. At the close of the previous fiscal year-end, Oct. 31, 1960, net assets were $68,300,000, or $9.66 per share on 7,070,000 shares outstanding, and at April 30, 1960, assets were $70,034,000, or $9.96 per share on 7,030,000 shares outstanding.

During the past six months, according to Mr. Orr, the fund's management has made purchases in companies "which are in a position to benefit from the trend towards higher levels of disposable personal income and from increases in specific population groups."

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Net assets of **Commonwealth Stock Fund** rose to a new high of $19,476,439 in the six months ended April 30, according to the semi-annual report. The total compared with net assets of $15,124,269 on Oct. 31, 1960, and $14,455,884 on April 30, 1960. Net asset value per share increased in the past six months to $17.64, against $14.52 last October and $14.81 a year earlier.

New investment during the past six months included Allied Chemical, Automatic Retailers of America, Broadway-Hale Stores, Emerson Electric, North American Aviation, Miles Laboratories, Polaroid, Standard Oil of Indiana, Sterling Drug, James Talcott, S. D. Warren and Parke, Davis. Over the same span Commonwealth eliminated Amerada, Bendix, Connecticut General Life, Gimbel Bros., Halliburton, Hercules Powder, Kerr-McGee Oil, Royal Dutch Petroleum, Standard Oil of California and Westinghouse Electric.

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Composite Fund Inc. reports that at April 30 total assets were $14,264,425, equal to $9.05 a share. This compares with $11,550,818 and $7.66 a share on Oct. 30, 1960, and $11,138,761 and $7.87 a share at April 30, 1960.

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Stockholders of **Continental Capital Corp.** learned that, with the completion of five new transactions underway, Continental's $3,000,000 authorized investment capital has now been committed. Coincident with the first annual stockholders' meeting, Continental's President, Frank G. Chambers, announced that five new firms have been added to the investment portfolio, bringing the total to 27. The new firms are: Nuclear Science and Engineering, a joint venture with Greater Washington Industrial Investments Inc.; Automatic Monitor Inc., a new management service for evaluating productivity factors of electronic accounting, EDP and communications systems; Benson Laboratories, manufacturers of a new, valveless liquid chemical feed pump; Gray-Reid-Wright, a general merchandise department store in Reno, Nev., and Prodelin Inc., manufacturer of antenna systems for microwave transmission.

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Reporting for the six months ended April 30, first half of its fiscal year, **Dividend Shares Inc.** put total net assets at $305,764,629, or $3.33 a share. This compares with $256,990,556 and $2.76 a share at the end of the fiscal year. A year earlier the respective figures were $254,701,160 and $2.80 a share.

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Drexel Equity Fund Inc., which offered its shares publicly for the first time in February this year, has disclosed its schedule of investments as of April 26. On that date the fund listed total investment securities at a cost of $1,624,841, which had a market value on that date of $1,683,036, or $10.39 per share, compared to a net asset value of $10 per share at the time of the initial offering. As of April 26, $991,883 of the fund's investments were in common stocks with the balance temporarily invested in short-term U. S. Treasury and government agency issues.

Holdings on April 26 consisted of 690 shares American District Telegraph Co., 1,500 Anheuser-Busch Inc., 800 Farbenfabriken Bayer, A.G. (A.D.R.), 500 General Reinsurance Corp., 2,000 General Steel Industries Inc., 3,500 Globe Security Systems, 1,400 International Telephone & Telegraph, 1,600 L'Aiglon Apparel, 1,000 Philadelphia & Reading Corp., 24 N. V. Philips' Gloeilampenfabriken, 3,100 Radio Shack Corp., 950 Scantlin Electronics, 550 O. M. Scott & Sons Co. class "A", and 1,400 Spiegel Inc.

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Directors of **Fidelity Fund Inc.** have declared quarterly dividend of 9 cents per share, payable June 24 to shareholders of record May 31.

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Keystone Investment Bond Fund, Series B-1, and **Growth Fund, Series K-2**, have declared semi-annual regular distributions from net investment income of 49 cents and 9 cents, respectively. Both distributions are payable June 15 to holders of record May 31.

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National Aviation Corp. has informed shareholders that the Board of Directors expects to declare the midyear ordinary income dividend in July, with payment to be made in August. Last fall the Board changed the time for declaring year-end dividends from November to January, with payment in February.

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National Securities Series of mutual fund reports new commitments include Eastman Kodak, Korvette, Maytag, American Hospital Supply, Continental Can and Emery Freight. Among holdings eliminated were Hammond Organ, Montgomery Ward, Southern New England Telephone, Foremost Dairies and Radio Corp. of America.

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Oppenheimer Fund assets at May 16 amounted to $10,027,500, a rise of 110% since the start of 1961.

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Puritan Fund, a mutual fund with primary emphasis on income, and one of the Fidelity Management Group of funds, reports record high total net assets of $105,000,000. Total net assets on May 16 were $73,000,000, and on Jan. 1, 1961, reached $85,000,000. Five years ago total net assets were $25,000,000.

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Putnam Growth Fund reports that at April 30 total net assets were $144,587,000, equal to $18.58 a share. This compares with $76,769,000 and $16.05 a share three months earlier and $26,732,000 and $12.47 a share 12 months earlier.

In this semi-annual report the company announced that during the latest quarter new additions included Capital Cities Broadcasting, Crown Cork & Seal, Dun & Bradstreet, Great Western Financial, Interstate Department Stores, Lafayette Radio Electronics, Liberty Loan Corp., M. Loeb Ltd., Mary Carter Paint Co. "A", National Cash Register, North American Car Corp., Northrop Corp., Oshawa Wholesale Ltd. 'A", Salada-Shirriff-Horsey, Union Bank (Los Angeles) and United Service Life Insurance. It elim-

inated Hudson Vitamin Products, Philips' Lamp Works and Piper Aircraft.

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Trustees of **The George Putnam Fund of Boston** have declared a quarterly dividend of 10 cents per share from investment income, payable June 22 to shareholders of record May 31. This dividend is the same as the amount paid last year at this time and is the fund's 95th consecutive cash distribution.

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Television-Electronics Fund Inc. reports total net assets at a record $431 million at the close of the fiscal midyear (April 30). Keeping pace with the gain in assets, net asset value per share rose to $8.82, against $7.41 six months earlier.

During the quarter ended April 30 the company took new positions in Hawaiian Telephone, Hercules Power, Loral Electronics and Sanborn Co. while eliminating Eitel-McCullough. Principal common stock additions: Bendix, du Pont, Fairchild Camera & Instrument, General Electric, International Business Machines, Radio Corp. of America, Texaco, Union Carbide and United Aircraft. There were reductions in American Machine & Foundry, Emerson Electric Manufacturing, Motorola, National Cash Register, Smith-Corona Marchant and Zenith.

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Television Shares Management Corp., investment manager and principal underwriter for Television-Electronics Fund Inc., reported net income for the six months ended April 30 at $383,-658, compared with $366,222 in the comparable period a year ago. This was equivalent to 38 cents per share on the corporation's common stock and compared with 35 cents per share for the like period of 1960.

William H. Cooley, President, told shareholders in the semi-annual report that there had been a decline of 3.7% in total revenue during the six months, compared with the 1960 period, but this had been more than offset by a 10.3% drop in operating expenses. The result, he said, was that net income after Federal income taxes rose 4.8%, compared with the like period of 1960.

Solar Systems Common Offered

Darius, Inc., New York City and N. A. Hart & Co., Bayside, N. Y., are offering 125,000 shares of this firm's 10 cent par common stock at $2 per share. Net proceeds from the sale, estimated at $185,000, will be used by the company for the repayment of debt, for additional inventory, advertising, working capital and research and development on a new device to air condition homes by use of solar energy.

Solar, of 11936 Valerio St., North Hollywood, Calif., is a diversified manufacturer of solar swimming pool heaters, portable beverage dispensers, refrigerators, marine, domestic and aviation refrigeration equipment, and a complete line of custom built environmental test chambers, juice dispensers and freezers. It hopes to expand into additional commercial uses of solar energy.

Bundy Secs. Formed

SYRACUSE, N. Y.—Bundy Securities Corporation has been formed with offices at 606 East Genesee Street, to engage in a securities business.

H. N. Cooper Co. Opens

H. N. Cooper & Co., Inc. has been formed with offices at 37 Wall Street, New York City, to engage in a securities business.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

FIRST QUARTER UNDERWRITING RESULTS

First quarter underwriting results for the fire and casualty insurance industry were unimpressive. While a few specialty underwriters were successful in countering the industry trend, underwriting results for most companies were generally on an unprofitable basis and substantially below the results attained in the first quarter of 1960.

Unprofitable fire insurance experience was the principal factor in the decline in underwriting earnings. The sharply increased fire losses were the direct result of the severe winter weather experienced in January and February throughout the country. The National Board of Fire Underwriters reported January fire losses at $117.2 million in the United States. This was a record high total for a single month. February was nearly as bad with fire losses reaching $116 million. The combined toal of $233.2 million was 20.5% higher than that recorded in the first two months of 1960. March fire losses were slightly lower than those of a year ago, but for the three month period losses reached a record $343 million, 12% higher than in 1960.

In recent years the fire and casualty insurance industry has customarily experienced underwriting losses in the first quarter due to the increased losses that are connected with weather conditions. However 1961 results are the poorest since 1957 when the industry went through its worst underwriting year in recent history. In addition to the heavy losses in property lines from fires and storms, the first quarter results of some companies were penalized by necessary additions to loss reserves to cover higher than anticipated claim losses from Hurricane Donna. Results in most other lines were equal to or better than those of a year ago. Automobile results continued to show improvement as most underwriters benefited from earlier rate increases, tighter underwriting standards and expense control, greater use of merit-rating plans, and a relative stability in the incidence and severity of automobile claims. Results in workmen's compensation and bonding lines, disappointing in 1960, were generally improved as was the experience in marine and general liability lines.

Leading Fire and Casualty Insurance Stocks

	Recent Price	1961 —Range—		Est. Div.	Yield	—1st Quarter Results— Gain in Invest. Income	Underwriting Profit Margin 1961	1960
	$	$	$	$	%	%	%	%
Aetna Casualty	130	130	- 94	1.40	1.1	11	—3.3	2.8
Aetna Insurance	115	115	- 89	3.00	2.6	7	0.2	1.3
American Insurance	31	31	- 26	1.30	4.1	2	—2.8	—2.8
American Reinsur.	53	53	- 41	1.25	2.4	5	2.6	2.1
Boston Insurance	36	37	- 31	1.80	5.0	3	—11.9	—3.7
Continental Insur.	60	67	- 55	2.20	3.7	1	—13.6	—4.1
Continental Cas'lty	115	115	- 87	1.50	1.3	10	—1.1	—3.3
Empl. Group Assoc.	48	48	- 38	1.40	2.9	11	5.4	10.8
Fidelity & Deposit	65	65	- 48	2.00	3.1	7	19.0	8.5
Fireman's Fund	67	67	- 53	2.00	3.0	4	—2.7	—1.6
General Reinsur.	135	137	-117	2.00	1.5	13	4.5	6.6
Glens Falls Insur.	43	43	- 37	1.00	2.3	5	—7.5	—1.9
Government Empls.	117	131	- 87	1.00	0.9	18	6.0	14.1
Great American Ins.	57	64	- 48	2.00	3.5	—1	—13.2	2.4
Hartford Fire Ins.	64	72	- 57	1.10	1.7	3	1.4	0.1
Home Insurance	58	65	- 54	2.20	3.8	7	—6.9	—2.6
Insurance Co., N. A.	87	97	- 76	1.80	2.1	0	—3.7	1.5
Maryland Casualty	44	45	- 30	1.70	3.9	8	—5.3	0.4
National Fire Insur.	142	142	-121	2.00	1.4	4	—14.1	2.3
National Union Fire	45	47	- 40	2.20	4.8	7	—8.8	—6.9
New Amsterdam C.	81	84	- 59	2.00	2.5	4	—5.2	—6.4
Phoenix Insurance	96	97	- 81	3.00	3.1	0	—13.3	—0.6
St. Paul F. & M.	72	74	- 61	1.44	2.0	6	—2.6	0.8
Security-Conn. Grp.	67	70	- 54	1.40	2.1	—20	—3.9	7.6
Springfield Insur.	39	40	- 34	1.00	2.6	8	—7.9	—0.2
Standard Accident	65	65	- 48	2.00	3.0	10	—1.6	—6.7
U. S. Fidel. & Guar.	58	58	- 42	1.20	2.1	5	1.6	1.9

While the first quarter underwriting results were disappointing, there were some favorable developments. The major companies continued to reduce their expense ratios through increased use of electronic equipment, improved agency controls reduction in agents' commissions, and general overall cost reductions through operating efficiencies. In addition, several companies recorded sizable increases in premium volume. Home Insurance, Hartford Fire, Insurance Company of North America, and Continental Casualty reported increases in premiums written from 5% to 11%, while some of the smaller companies increased volume by as much as 20%.

Net investment income continued its steady upward trend in 1961 with an average gain of 5% over the first quarter of 1960. Few companies were forced to liquidate investments to cover operating losses. The few reported instances where net investment income actually declined were due to capital investment in currently non-dividend paying life affiliates or the realization of substantial capital gains with reinvestment in lower yielding securities. New investments, for the few companies that had a favorable cash flow in the first quarter, were concentrated in tax-exempt bonds and common stocks. For the majority of the companies net investment income exceeded underwriting losses so that an overall operating gain was recorded.

Despite the first quarter underwriting results, fire and casualty stocks have continued to outperform the stock market in 1961. Many insurance equities are currently selling at or near their all-time high market prices. Insurance stocks have benefited from the rising stock market with substantial appreciation recorded in the large holdings of common stocks in the investment portfolios of many insurance companies. Liquidating values have risen sharply despite sizable operating losses in many instances. For example, Continental Insurance reported an increase of $85 million in the market value of its consolidated assets despite a statutory underwriting loss of nearly $14 million and an overall operating loss of over $3 million.

Investors are apparently anticipating a continuation of the trend of improvement in underwriting results that began in 1958 over the remainder of 1961. April results are believed to have been better than those of a year ago although certain companies were hit hard by tornado losses in the mid-west and south-west. In the absence of major catastrophes, operating earnings in 1961 of most fire and casualty insurance stocks, benefiting primarily from earlier rate increases and a temporary cessation in inflationary pressures, are likely to justify their present historically-high market values.

Named Director

Paul E. Manheim, a senior partner of Lehman Brothers, has been elected a director of Brazilian Traction, Light and Power Company, Limited.

Mr. Manheim is Chairman of the Board of the Vertientes-Camaguey Sugar Company, and a director of Western Union Telegraph Company, Security Title Insurance Company, Ekco Products Company, Trans-Coast Investment, Lehman Corporation and The One William Street Fund.

Implications of Our Adverse Balance-of-Payments

Continued from page 7

objectives. It is recognized that money cannot manage itself without suffering the consequences of unwanted inflation or deflation. It is further recognized that we cannot depend on the physical amount of gold to change in harmony with a stable price level and with other basic objectives. A sharp difference between the two standards also exists in regard to the processes of adjustment to a deficit or surplus in the balance of payments. Under a true gold standard the domestic economy adjusts itself to a fixed price of gold and a fixed structure of foreign exchange rates, whereas under the basic objectives standard foreign exchange rates have some flexibility and are adjusted to a desired condition of the domestic economy.

Our current dilemma arises from the fact that we are legally committed to the gold standard and a basic-objectives standard at the same time even though they are logically inconsistent. We have largely abandoned the traditional gold standard and the disciplines that it imposes in favor of basic objectives as our principal policy guides. Yet the gold standard commitment remains on our statute books. We observe this commitment in the narrow sense of buying and selling gold at the prescribed price, but we disregard it in the larger sense of permitting gold to serve as the real monetary standard. That is, we offset the influence of gold inflows and outflows by central bank and treasury operations, and on occasion by changing the gold content of the dollar. This raises the question of whether gold can still play a useful role in monetary systems even though it no longer serves as the real monetary standard. The answer in my opinion is in the affirmative. As long as the United States Treasury is committed to buy and sell gold at a fixed price, gold will continue to be a very unique commodity. Possession of it will give any country a claim on wealth throughout the free world, and also a means of settling balance-of-payments deficits. A stable structure of foreign exchange rates will also be furthered if other leading nations strive to maintain a steady dollar exchange rate. Insofar as they succeed, a modified dollar exchange standard will obtain. Furthermore, gold remains a symbol of stability and sound finance throughout the world. The dollar undoubtedly enjoys higher prestige and confidence as the leading international monetary unit because it is convertible into gold. This further function, whether based on emotion or logical reality, is a fact that should not be ignored in shaping practical policies. Like the British Crown, gold possesses a definite symbolic value.

III. Implications of Analysis

Several implications concerning our balance-of-payments problem follow from the foregoing summary of economic objectives and the place of gold in modern monetary systems. By far the most important is the need to provide our monetary authorities with guiding criteria that are plain and consistent. More specifically, the Employment Act of 1946 should be amended to remove existing inconsistencies with the Gold Standard Acts of 1900 and 1934. An unambiguous statement of basic objectives should be made, with specific addition of the goals of a stable dollar and of economic growth. In addition, a gold clause should be included to the effect that (1) it shall also be a government policy to maintain a stable Treasury price of gold; and (2) that if the Treasury price of gold becomes out of line with the stated basic objectives, and if all other appropriate corrective measures prove inadequate, the President and the Congress shall act to change the price of gold by a proper amount. A corresponding amendment should be made to the Gold Reserve Act of 1934. These changes would retain part of the discipline of gold as well as its usefulness in providing international liquidity; at the same time they would introduce an element of flexibility. Without such flexibility there is grave danger of thwarting, instead of fostering, our basic goals.

Sees Gold Alarms as Premature

My second conclusion is that the prevailing view of a serious gold crisis is premature. There is need for concern, and proper steps should be taken to correct the persistent balance-of-payments deficit, but there is no justification for cries of alarm. The fact is that the loss of gold since 1949 should be welcomed instead of deplored. As a consequence of abnormal conditions — depression in the 1930's and war in the 1940's—we accumulated two-thirds of the Free World's gold stock. A more equal distribution of gold was necessary to re-establishment of monetary systems on a gold basis, with elimination of exchange controls and free convertibility of foreign moneys. Even after loss of over $7 billion of gold, we still held 43% of the Free World's monetary gold in March, 1961—certainly more than our share. Thus, we are only experiencing the last stage of a successful postwar policy of helping other countries to rebuild their economies. By 1957 this task was largely completed, foreign countries were able to increase exports, and the dollar shortage was soon transformed to a dollar surplus. Foreign exchange controls could be relaxed and free convertibility of major foreign moneys into dollars was re-established. It has been in this new and highly desirable setting that our balance-of-payments problem has emerged.

The United States can if necessary stand the loss of many more billions of gold. We can lose some $6 billion before reaching the 25% minimum reserve of the Federal Reserve Banks. Moreover, by removal or reduction of this reserve requirement — a logical step which should be taken—we can part with several more billions in support of the dollar. Beyond this, we have a borrowing quota of some $4 billion with the International Monetary Fund which can be drawn upon in an emergency. Thus, the United States possesses ample gold resources to bridge the gap while proper adjustments are made to reduce the balance-of-payments deficit, the hard core of which is officially estimated to be only $1.5 billion.

The international position of the United States has important elements of strength that many current commentators overlook. One of these elements is the substantial positive net balance in the merchandise trade and service accounts. Taken together, the annual surplus in these accounts averaged over $5 billion during the past four years. It was approximately $5 billion in 1960 and is currently maintaining or surpassing this amount.

Another important factor of strength in the position of the United States is the vast and growing amount of long-term investments abroad. According to official estimates they amounted to about $59 billion at the end of 1959.[3] These assets are a substantial and growing source of income to the United States. Income from private and public investments abroad, which averaged $3 billion during the past three years, has materially exceeded new foreign long-term investments each year since 1958. That is, the over-all effect of long-term investment items in the balance-of-payments has been, and should continue to be, a net surplus.

Short-Term Liabilities

The international position of the United States is weakest in the short-term area. At the end of January, 1961 short-term liabilities to foreigners were $21 billion, offset by short-term claims on foreigners of $3.6 billion, so that net short-term liabilities were 17.4 billion.[4] But the vulnerability of the United States in this regard is not so serious as some would have it. Since the dollar is the leading international monetary unit, foreign banks and other institutions need large working balances here to finance the flow of foreign trade and payments. A large part of foreign dollar holdings, especially that of central banks, is not likely to be withdrawn capriciously. Much of the substantial outflow of short-term capital from the United States since midyear 1960 is subject to reversal. The main causes of this outflow were the widening differential in short-term interest rates and speculation on dollar devaluation. Since the last quarter of 1960 rate differentials have narrowed. Rates in the United Kingdom, West Germany, and other countries have declined owing to easier monetary policies. A substantial return flow of short-term funds is probable as more normal yield relationships develop. It is also likely that President Kennedy's pledge to maintain the price of gold at $35 per ounce, if supported by sound fiscal policies, will bring back funds that have been transferred abroad in expectation of devaluation of the dollar. Indeed, the most recent statistics indicate that some return flow of funds has already occurred.

The third implication is that monetary and fiscal policies of the United States should serve our basic economic goals even though a rise in the price of gold becomes necessary.

The United States can make its maximum contribution to world economic development by steadfastly pursuing its basic goals. Avoidance of depression conditions maintains our demand for foreign exports, and thereby contributes to stability of foreign nations. Healthy economic growth enlarges our demand for foreign products, and thus provides a spur to growth abroad. Stable purchasing power of the dollar provides an international monetary unit that commands world-wide confidence, a firm anchor for foreign moneys, and a standard medium for central bank reserves. It should be underscored that stable real purchasing power of the dollar deserves, and will command, greater international confidence over the years than a fixed dollar price of gold.

Devaluation Only as a Last Resort

Fortunately, the dollar can be relatively stable in terms of both gold and goods over long periods of time, so that we can enjoy both benefits without being forced exclusively to choose between them. Monetary and fiscal policies that provide a stable price level in the United States also encourage stable foreign exchange rates. That is, such policies set a pattern and tend to beget similar policies in other countries. To the extent that this occurs, an underlying basis is laid for stable foreign exchange rates. Thus, I conclude that if the existing official price of gold comes to stand seriously in the way of basic economic goals, the price of gold should be raised or lowered to a point in harmony with underlying conditions. However, this step should be taken as a last resort, and only after other consistent measures have proved to be inadequate.

An alternative approach to raising the dollar price of gold is reduction of the price of the gold dollar in foreign moneys by countries whose balances-of-payments have exhibited persistent surpluses, and whose short-term claims on dollars have risen to abnormal levels. The steps taken by West Germany and the Netherlands in March to reduce the official price of the gold dollar in terms of deutsche marks and guilders provide practical illustrations. The price of dollars in marks was reduced from 4.20 to 4, or by 5%.

Foreign Revaluation

From the standpoint of theory, this approach has certain advantages over devaluation of the dollar. Since the dollar is the standard international monetary unit, it is preferable to maintain a fixed dollar price of gold. International confidence in the dollar is enhanced by maintaining its stability in gold as well as in purchasing power over goods. Also, discriminating adjustments of particular exchange rates can be made as opposed to a blanket change in all other rates in relation to the dollar. This approach would avoid creation of a new set of disequilibria which would necessarily accompany devaluation of the dollar. In addition, it would avoid competitive devaluations of other moneys which would almost certainly follow.

The drawbacks of this alternative approach are practical rather than theoretical. Positive actions would be required by a score or more of other important nations. Moreover, the changes required would be contrary to their natural Mercantilist reactions which welcome a favorable balance of trade and growth of claims on gold and leading foreign moneys. Only by the closest international cooperation through a strengthened International Monetary Fund could such a complicated structural change be realized, if at all. Nevertheless, the actual adjustments of the mark and the guilder point the way. The effect of these adjustments is highly significant even though it is insufficient to solve the current dollar problem. Our exports of goods, services and securities to Germany and the Netherlands have been stimulated, thereby, since 100 marks now buy as much here as 105 marks previously purchased. Conversely, our imports from these countries have been repressed since it now takes 105 dollars to buy what previously could be purchased in Germany for 100 dollars. In addition, our competitive position in world export markets is improved since German products now cost more abroad.

The final implication is that international economic cooperation should be an important object of policy in the United States. This calls for vigorous pursuit of our postwar efforts toward greater freedom of international trade and investment. As applied to the current situation, it means strong and diligent opposition to the numerous proposals to raise tariffs, set quotas, and raise other barriers against imports. Certain industries, notably textiles and electronic equipment, seek to gain special protection from foreign competitors under guise of remedies for the payments deficit. Such a course constitutes an unwise retrogression from our active policy, followed since the mid-1930's, of trade and investment liberalization. The certain results of new restrictions would be a decline in exports, induced in part by curtailment of imports and in part by retaliatory barriers to our exports. The end result would be a depressed volume of world trade, world output, and consumption.

Avoidance of import restrictions is also the most promising approach to another constructive development, namely, reduction of foreign quotas and other obstacles to our exports. Most people agree that promotion of exports in various ways is the best single solution to our payments deficit. But many overlook the close relation between restrictions on imports to this country and our ability to sell goods abroad. The two cannot be realistically dissociated.

A further corollary of our policy of international cooperation relates to the foreign aid programs of the United States. Opponents of these programs can make a strong case that the huge government expenditures abroad largely account for the balance-of-payments deficit. It can be pointed out that they represent the abnormal item during the postwar years and that with them there would be a large payments surplus instead of a deficit. Such items, including military and economic grants and net foreign loans, averaged over $6 billion during the past five years compared with the balance-of-payments deficits of $3.8 billion in 1959 and 1960, and of smaller amounts in earlier years. But this does not lead to the easy conclusion, supported by some, that curtailment of aid programs is the right way to solve the deficit problem. Instead, the aid programs should be assigned proper priorities after the most careful consideration of their importance to our national interest. When their size for the period is determined, the item should then become a non-adjustable one in the balance-of-payments. For my part, available evidence points to solution of the deficit problem in other ways. Foreign aid programs can doubtless be made more effective, and other countries may assume a larger share of the burden, but it does not appear that we can reduce such expenditures appreciably without endangering the military and economic strength of the Free World.

IV. Summary and Conclusions

In retrospect, the implications and conclusions in regard to our balance-of-payments deficit and the associated gold outflow may be summarized, as follows:

(1) Policy-makers in the United States are faced with a real dilemma in that a large gold outflow has occurred during conditions of recession and chronic unemployment. Does this call for monetary expansion or monetary contraction?

(2) The leading implication is the pressing need to rewrite Federal laws pertaining to national economic and monetary objectives. In particular, the objectives set forth in the Employment Act of 1946 are inconsistent with the Gold Reserve Act of 1934.

(3) The basic objectives of full employment, business stability, economic growth, and a stable price level should be given highest priority.

(4) While a fixed price of gold should also be an object of national policy, it should be accorded a lower priority than the basic objectives.

(5) The traditional gold standard no longer fits modern conditions in which governments assume large responsibility for economic conditions as opposed to a policy of *laissez-faire*. It would, however, be unwise to demonetize gold entirely.

(6) A compromise solution is practicable. Gold should be retained in our monetary system in order to maintain the prestige of

3 *Federal Reserve Bulletin*, March, 1961, pp. 374-375.

4 *Federal Reserve Bulletin*, March, 1961, pp. 374-375.

the dollar as the leading international monetary unit, and as a useful medium for settlement of international balances. Gold can also be employed to provide a degree of discipline without sacrificing attainment of basic objectives.

(7) The prevailing view of a serious gold crisis is premature. Despite the large outflow, the United States still holds 43% of the free world's monetary gold and many billions more can be spared if necessary.

(8) Expansionary monetary and fiscal policies should currently be adopted in order to promote business recovery. The loss of gold does not justify deflationary current policies.

(9) A diversified program to eliminate the hard core of the balance - of - payments deficit should be vigorously pursued.

(10) A rise in the Treasury price of gold should not be included in such a program under existing conditions. Such a step should be taken as a last resort only after other methods have proved to be inadequate. However, a change in the price of gold should be made without hesitation whenever the existing price is appreciably thwarting the attainment of basic objectives.

(11) Finally, other elements of the diversified adjustment program should be in harmony with basic objectives. There should be no compromise with our postwar policy of liberalization of foreign trade and investment; nor should the brunt of the adjustment be borne by a program of foreign military and economic aid that is essential to future existence of the Free World.

***An address by Professor Woodworth before the annual meeting of the [illegible] Economic Association, Indianapolis, Ind.**

Northern Instr. Corp. Common Stock Offered

I. R. E. Investors Corp., Levittown, N. Y., is offering to the public, 75,000 shares of this firm's one cent par common stock at $4 per share. Proceeds from the sale will be used by the company for repayment of loans, additional equipment, salaries, sales promotion and working capital.

Northern Instrument was chartered in New York State on Nov. 12, 1959. The company was activated on a full time basis in 1960 when designing, testing and production operations were commenced with full and part time employees at temporary quarters in West Babylon, N. Y. Kenneth C. Collins, an electronics engineer, is President.

Form Shawe & Co. Inc.

WASHINGTON, D. C.—Shawe & Co., Inc. has been formed with offices at 1028 Connecticut Avenue, N. W. to engage in a securities business. Officers are Walter Ladusky, Persident; Irvin B. Shawe, Vice-President; and Dolores Ladusky, Secretary and Treasurer. Mr. Ladusky and Mr. Shawe were formerly with H. P. Black & Co.

Named Director

John L. Weinberg, a partner in Goldman, Sachs & Co., has been elected to the Board of Directors of Cowles Magazines and Broadcasting, Inc., according to an announcement by Gardner Cowles, Board Chairman and President of the magazine and broadcasting firm.

Inv. Planning Branch

ROCHESTER, N. Y. — Investors Planning Corporation of America has opened a branch office in the Sibley Tower Building under the management of Robert Kaffey.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

Plans to merge the **Long Island Trust Company, Garden City, N. Y.** and the **Chemical Bank New York Trust Company, N. Y.,** were announced in a joint statement by Frederick Hainfeld, Jr., President of the Long Island Trust Company, and Harold H. Helm, Chairman of the Board of the Chemical Bank New York Trust Company.

The merger would add to Chemical New York's present 110 offices the 14 offices of the Long Island Trust in Garden City, Freeport, Garden City Park, Great Neck, South Farmingdale, Stewart Manor, West Hempstead, Melville, Lindenhurst, Levittown and Mineola.

On the basis of figures at March 31, the merged institution would have capital funds of $426,598,854 and total assets of $4,494,328,415.

Holders of the 631,469 outstanding shares of Long Island Trust Company stock would receive 415,000 shares of Chemical Bank New York Trust Company stock.

The merger is subject to the approval of the State Superintendent of Banks and the Federal Reserve Board. It is also subject to approval by the stockholders of both banks to whom it will be submitted as soon as practical.

* * *

The election of Frederick H. Brownell, Jr. as a Vice-President of **Empire Trust Company, New York,** was announced by Henry C. Brunie, President.

Mr. Brownell, formerly an Assistant Vice-President at **Irving Trust Company, New York,** has been assigned to the commercial banking department in the bank's office at 7 West 51st Street.

* * *

Henry L. Schenk, President of **Trade Bank and Trust Company, New York,** announced the election of Lester Avnet to the bank's Board of Directors.

* * *

The Fiduciary Trust Company of New York announced the election of Hamilton Hadden, Jr. and Francis H. Burr as Directors. The Bank also named John J. Clooney a Vice-President and Treasurer.

* * *

The Bank for Savings in the City of New York announced the election of William P. Schweickert, Jr. as Vice-President, John J. Fischer as Secretary, John J. Cummings, Auditor and James B. Dunlaevy, Assistant Secretary.

* * *

John J. Moynahan has been elected Treasurer of the **New York Savings Bank, N. Y.** Mr. Moynahan joined the Bank in 1957 as Assistant to the President.

* * *

Alexander P. Paulsen, has been elected a Trustee of the **Ridgewood Savings Bank, Brooklyn, N Y.**

* * *

The Quarter Century Club of **The County Trust Company, White Plains, N. Y.,** held its annual meeting May 23, and inducted five new members who have completed 25 years of service.

New members are C. Harry Boschen, Miss Helen Holland, Edward H. Jackson, Miss Florence M. Lang, and Martin Miller. Total membership is now 109.

Officers elected for the current year are William W. Post, President; Miss Vera C. Kinnally, Vice-President, and Miss Marguerite O'Rourke, Secretary. Also elected were Executive Committee members Gomer D. Reese, Jr., and Harry R. Marshall.

* * *

The common capital stock of the **Boardwalk National Bank of Atlantic City, Atlantic City, N. J.,** has been increased by a stock dividend from $3,450,000 to $4,312,500 and from $4,312,500 to $4,887,500 by the sale of new stock effective May 19. (Number of shares outstanding 195,500 shares, par value $25).

* * *

William L. Day, Chairman of the **First Pennsylvania and Trust Company, Philadelphia, Pa.** announced the election of Thornton F. Bradshaw, to the Bank's Board of Directors.

* * *

Consolidation of **Iowa Interest Corporation** with **International Bank, Washington, D. C.,** was approved by the stockholders of **International Bank** at the annual meeting. This action is subject to approval of the Securities and Exchange Commission.

International Bank owned 50% of the debentures in the face amount of $1,120,000 and 50%, or 28,000 shares, of the common stock of Iowa Interests.

* * *

By a stock dividend, the **Northwest National Bank of Chicago, Chicago, Ill.,** has increased its common capital stock from $1,000,000 to $2,000,000, effective May 17. (Number of shares outstanding 100,000 shares, par value $20).

* * *

By a stock dividend, the **First National Bank of Hibbing, Hibbing, Minn.,** has increased its common capital stock from $300,000 to $500,000 effective May 17. (Number of shares outstanding 5,000 shares, par value $100).

* * *

The **Live Stock National Bank of Sioux City, Sioux City, Iowa** has increased its common capital stock from $400,000 to $800,000 by a stock dividend, effective May 16. (Number of shares outstanding 8,000 shares, par value $100).

* * *

Merger of the **First National Bank in San Rafael** and its affiliate, the **Bank of San Rafael,** into **Crocker-Anglo National Bank, San Francisco, Calif.,** was approved May 23 by Crocker-Anglo shareholders at a special meeting held in San Francisco, it was announced by Crocker-Anglo President Paul E. Hoover.

Shareholders of the San Rafael banks at special meetings held on May 18 previously had voted approval of the merger, which is subject to the final approval of the Comptroller of the Currency.

Under the terms of the merger, shareholders of the First National Bank in San Rafael and the Bank of San Rafael will receive two shares of Crocker-Anglo stock for each combined share of the stock of the First National Bank in San Rafael and the Bank of San Rafael.

* * *

G. A. Anderson, President, **First City Bank, Pasadena, Calif.** has announced the following appointments to the newly-organized Advisory Board of the Bank's Pasadena Office: John J. Cabot, John A. Carrington, John S. Davidson, Jack H. McDonald, Joseph D. Messler, G. L. Tighe Payne, Bart W. Sorge.

Named Director

Walter D. Floersheimer has been a director of Canadian Homestead Oils Limited. He is a senior partner of the New York Stock Exchange firm of Sutro Bros & Co. and a director of Crescent Petroleum Corporation. He replaces on the board Charles L. Follansbee who continues as Assistant Secretary of the company.

New Morrison Branch

SALISBURY, N. C.—Morrison & Co., Inc. has opened a branch office in the Wallace Building under the management of Charles C. Morrison.

Elected Director

William M. Hunt, a Trustee of The Putnam Growth Fund, Boston mutual investment fund, has been elected a director of Peoples Gas System, Inc., of Florida.

Mr. Hunt is a Vice-President of The Putnam Management Company, Inc., which manages The George Putnam Fund of Boston and The Putnam Growth Fund.

Siepman Joins Keon Staff

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Wayne H. Siepman has become associated with Keon and Company, 618 South Spring Street, members of the Pacific Coast Stock Exchange. Mr. Siepman was formerly with Holton, Henderson & Co. and prior thereto was with Binder & Co.

Form R. & G. Securities

R. & G. Securities Corporation has been formed with offices at 250 West 57th Street, New York City to engage in a securities business. Officers are Robert M. Rose, President and Treasurer, and Blair H. Goldberg, Vice-President and Secretary.

Sutro Bros. in Chicago

CHICAGO, Ill.—Sutro Bros & Co. have opened a branch office at 208 South La Salle Street, under the management of Hillel Maeir.

Form Active Planning

BROOKLYN, N. Y.—Active Planning Corp is engaging in a securities business from offices at 951 Putnam Avenue.

N. A. Wolf Opens

BROOKLYN, N. Y. — Nathan A. Wolf is engaging in a securities business from offices at 803 Nostrand Avenue.

Advise Afield Co.

Advise Afield Company is engaging in a securities business from offices at 1860 Broadway, New York City. Martin Tahse is a principal.

Success of Steel Industry Depends on "Going Int'l"

Continued from page 1

their torn industries. We were, in effect, the pituitary gland of the international body politic and, consequently, the free world was brought to its feet more qiuckly than anyone could have dreamed. Thus, the pattern of commerce both here and abroad shifted tremendously, giving rise to a world economy far larger than anything anyone had seen before. And still it grows by leaps and bounds.

In the decade of the 50s, in terms of current prices, the increase in the Gross National Product in England was 78% . . . Italy, 105% . . . in both France and West Germany, 157% . . . Japan, 217%. These results, as we view them in May of 1961, are truly astounding.

They are also, in a sense, paradoxical . . . for this nation, after providing vast amounts of capital and technical aid to other countries, has found that many of these same countries are now its competitors in world trade.

Who Is Lagging Behind?

Some people, of course, have been led to believe that the growth of these other nations means that the United States is falling behind. They look at the increase in our own Gross National Product—about 69% in the past 10 years—and conclude that our economy must be force-fed in order, as they say, to "catch up."

But as the *Wall Street Journal* pointed out recently, the Pittsburgh Pirates — by winning the National League pennant last year —increased their share of championships by 20%. The New York Yankees — by capturing the American League flag — raised their share of pennants by only 4%. The alarming question is, "Why are the Yankees lagging behind?"

Clearly, due to the low starting base of other nations, they still have a long way to go to catch up.

The significant fact, however, is that they *are* growing rapidly —that growth has become a way of life for them. So much so, in fact, that studies by the United Nations indicate that by the mid-1970s world demand for steel outside the U. S. could exceed 1960 demand by 250,000,000 tons annually.

It is my belief that this staggering forecast raises the most important question that must be faced by American steel during the coming generation:

How can we best fulfill our responsibility—both to everyone in steel and to the American nation—not to fall behind, but to participate in this growing world market?

The Challenge of Sharing World Growth

In my opinion, the continued success of American steel will lie in the creation of a truly international industry. Here is our "opportunity international." Here is our greatest challenge . . . but by the same token, a number of problems must be met before we can fully accept that challenge.

We know already that the free world market is not one that will be ours just for the asking.

It has been estimated that between 1947 and 1960 foreign steel capacity, inclusive of the Soviet bloc, rose from about 104 million tons to some 283 million tons.

Moreover, in 1947, we supplied through exports 11% of all the steel consumed outside the U. S. But by 1960—even in the face of sky-rocketing overseas demand—our share of this market had slumped to roughly 1½%.

The plain fact is that our relative participation in the steel market outside this country was cut by about 85% in the short span of 13 years.

Our loss of wold position would have been even greater except for a lag in foreign capacity for sheet and strip production. But even our exports in this area are now threatened.

At least eight new hot strip mills are under construction abroad. Two new mills in Great Britain may nearly double the United Kingdom's present sheet and tin plate output. Even Hungary, which now imports 80,000 tons of sheets annually, expects to be exporting 50,000 tons a year by 1965.

In addition, every steel man is painfully aware of the fact that our own country—in late 1958—became a net importer of steel. It's no secret that some foreign steel products actually surpass their American counterparts in quantity and use in this country.

This domestic situation alone is causing our industry to alter many of its traditional patterns and, if we are to compete in markets abroad there is a great deal more alteration which must be made.

But let me point out that if we are to make the sweeping changes needed to restore our competitive position in the world's marketplaces, we must have the sincere co-operation of both U. S. labor and the U. S. government.

We Need Industrial Equality

President Sukarno of Indonesia, in a recent speech before the United Nations, stated that, "True internationalism must be based upon the fact of national equality." I would like to take a little license with his statement and apply it for a moment to the need for the United States to attain *industrial* equality.

True internationalism in industry must be based upon the fact of equal competitive conditions . . . but we do not enjoy those conditions.

The heart of steel's problem with foreign competition is that we carry an unfair load not borne by others in the world.

That load is made up of higher labor costs . . . higher capital costs . . . tax regulations that prevent us from modernizing our plants as fast as others . . . and the trade restrictions we must meet at foreign shores.

Don't misunderstand me on that last point—foreign trade restrictions. It is not my thought that we should retaliate with higher tariffs, or tighter exchange and import restrictions of our own. Such political barriers are. after all, a two-edged sword and often serve only to cut nations apart, severing them from the body of world trade. We hope that the trade restrictions of other countries will some day be equalized, reducing our competitive disadvantage.

Here at home, we have other problems to which we should direct our immediate efforts — for example, the problem of wages. Our wage costs are higher than those of any foreign nation and most of our products are more costly as a result. Over the years, wages have lost true relationship to personal productivity.

It is, I think, natural for any man to want to make more money. But when wage increases reach the point of becoming almost automatic, the economic facts of life are being ignored. One might as well peg wages on the migrations of the Capistrano swallows.

At present the comparative wage trend does not show any indication that the gap between foreign and domestic wages is being closed. Moreover, if the present spread widens any further, the steelworker may find himself in the same predicament as the American coal miner. Individually, the miner may be the highest paid worker in the land. But collectively, not much of him is working.

Another area of difficulty is that of higher capital equipment costs. Often, in order to improve our plants, we must pay double the price our overseas competitors pay for their capital equipment. These costs are, of course, just another manifestation of our country's widespread postwar inflation, and they will continue to penalize us until the purchasing power of the dollar is strengthened.

The Heaviest Burden

But, perhaps the heaviest burden of all those carried by this industry is the antique and restrictive depreciation regulations imposed by the Federal Government.

Let me give you an example of these regulations in action: In 1927, Armco built a new rolling mill at its Butler, Pa., plant. The cost of the mill was about $3 million, and it was depreciated at that figure over a 30-year period.

Thus, by 1957, when the mill had to be replaced, we had $3 million set aside for that purpose. We built a larger mill, actually, with more modern facilities. But as nearly as we can figure out, an exact duplicate of the mill built in 1927 would have cost $12 million.

An additional $9 million was necessary to duplicate the old mill and it had to come from—where else—our profits. In order to clear $9 million we had to earn $18,750,000 before taxes . . . and in order to earn that much in 1957, we had to sell $140,000,000 worth of products.

Additional sales of $140,000,000 were needed just to sustain one facility, not to improve it. In other words, we have to run faster and faster, just to stand still.

This is an example of how our government's depreciation provisions compound all the miseries of inflation . . . particularly in contrast to nations like Belgium, France, Italy and Japan whose policies in this area are much more progressive.

These nations—anxious to foster a healthy, modern, and competitive industrial community—relate their depreciation laws to the replacement cost facilities. In so doing, they stimulate prosperity and industrial strength by encouraging rapid modernization. Our own Treasury regulations have the opposite effect.

In his tax message last month. President Kennedy suggested some tax changes aimed at stimulating capital expenditures. But unfortunately, he failed to offer any solution to the essence of the depreciation problem — that of dollar erosion through inflation. It is to be hoped, however, that the Administration can be persuaded to meet this problem head-on in the near future.

We must convince our government of the need for realistic depreciation allowances . . . for a non-deteriorating dollar . . . for a firm economy on which stable world trade can rely and on which American steel and other industries can profitably participate in world markets.

At one point in Plato, Socrates says that a man must follow where the argument leads. His meaning, as I see it, is that prejudice and blindness to the logic of events lead inevitably to false conclusions, to ignorance compounded, to conflict between the fictions a man thinks he sees and the facts before his eyes.

It is our responsibility to show the nation that the steel industry must follow where the argument leads . . . but that we cannot do so unless we are on an equal footing with the rest of the world.

I do not mean that our wages or our living standards should be reduced to the levels common abroad. But our labor leaders and our government must understand that the wages of Japanese or West German steelworkers bear directly upon the competitive ability of American products . . . and thus are related to the job security of American workers.

The people of this nation, the leaders of labor, and the Federal Government must understand the position in which the steel industry—at this most important crossroads—finds itself.

The requirements of world trade today demand that we evolve new concepts — they demand that we learn to live in a world economy — they demand that we become a truly international industry.

Not to heed these demands could be tragic.

I repeat . . . by the mid-1970s foreign steel consumption may well be 250,000,000 tons greater than in 1960. We cannot hope to participate satisfactorily in this growing market through exports alone. The demand abroad will be met primarily by foreign producers. If we are to have a proportionate share of this market, we must get inside it and become a part of it.

Here also lies an opportunity for the kind of effective contribution we — as businessmen — can make in elevating living standards abroad and pulling our weight in the struggle against the Communist economic offensive.

Make no mistake about this. Other nations want strong industries of their own—and they will get them one way or another. If we aren't there, they will turn for assistance to those who are only too eager to draw them into the totalitarian orbit.

Business policies—in these days of the great and lasting economic battle with Communism—must be formulated with respect to the hard question: will this move benefit not only industry, but the country?

In the belief that the handicaps placed on us by labor, government and the general inflation of our times can be diminished — and with the conviction that we can and must participate in the world steel economy—I would now like to take a brief look at how we can go about becoming a truly international industry.

There is the possibility of building fully integrated steel plants abroad, starting from the ground up. Propects of this kind would involve tremendous capital investment. But we all know that our domestic capital demands will be enormous in the coming years. Thus requirements for fully integrated foreign operations would present some real difficulties.

Perhaps a preferable course might be to acquire stock ownership in foreign companies, either through direct purchase or through exchange of stock. American companies can also offer technical aid, patents, and trademarks for equity in foreign companies . . . or set up fabricating and processing plants abroad to use steel melted by local producers.

Yet another way would be to build plants abroad as joint ventures with other American companies, or with foreign corporations, or any combination of the two. Consortiums can be formed of the type now planning the Volta project in Ghana to produce power and, as an end result, to smelt aluminum.

In all, there are many ways for us to go international . . . methods by which each company can suit its individual desires and resources.

In the case of my own company, we have made our "decision international." It is becoming a reality.

We are affirming our belief in "opportunity international" through manufacturing and other operations on five continents. And while Antarctica is still pretty desolate, there is probably a young salesman in our organization now who will someday go there for a "look-see."

Now at this point, let me make two things clear.

No Jobs Will Be Exported

First, I am not talking about "exporting" jobs, nor am I saying that plants here should lie idle while those abroad take their place.

By 1970—just nine years from now — the population of this country should total some 210 million. There will be 15 to 20 million more cars in use . . . an additional half-million homes built every year . . . several million more automatic washers and air conditioners sold annually—all of which will mean a much larger demand for steel in our *home* markets.

Thus, American workmen and American mills have a big job ahead . . . and unless foreign competition is allowed to make further inroads on our domestic market . . . there will be plently of work to do.

Secondly, we must recognize that American stockholders are sometimes uneasy about sending capital abroad. They fear that economic and political instability could result in the loss of their investment.

It would be unrealistic, in the face of history and the recent events in Cuba and Africa, to deny that such risks exist. In some areas of the world, volatile governments and insecure currencies seem to be a chronic condition.

But each possibility must be explored for both its dangers and its opportunities . . . for if all possibilities are automatically ruled out, we will find ourselves high and dry, bypassed by industrial progress.

Moreover, not all capital invested abroad need come from private sources. A number of agencies have been established to assist in financing overseas investment and provide some guarantees against political risks. Not to consider the advantages offered by these organizations would be ignoring an opportunity.

One last—and quite popular—objection to overseas investment involves the question of our so-called "export of dollars". . . the unfavorable balance of payments . . . the "flight of gold." Call it what you will. This is actually not a valid reason for opposing foreign operations.

I do not mean to imply that our balance of payments is not a problem at all. Quite the contrary, it is a very real problem . . . but one which is often misunderstood.

There was a cartoon recently in the *Saturday Evening Post* . . . showing a husband and wife in their living room. The husband, as I recall, was watching television and the wife reading the paper. She put the paper down, looked at her husband and said . . . "Henry, tell me about gold."

I shudder to think what Henry said.

The essential fact to recognize is that direct American investment in plants and equipment—placed successfully in foreign enterprise—ultimately generates a net inflow of funds to the United States . . . not an outflow.

According to the Department of Commerce, this nation sent $12 billion overseas for plants and equipment in the years from 1950 through 1960. In the same period, over $20 billion in dividends, interest and repatriation was returned to us.

Thus, a net inflow of more than $8 billion came to this nation during the decade of the fifties, and *after* a substantial portion of foreign earnings was plowed back into operations there.

Industry's stockholders have benefited from firmer dividend returns . . . foreign nations have benefited from the availability of

new products . . . and our government has benefited from the tax yields on that $20 billion.

The point overlooked in our "balance of payments" situation is that our government—not our industry—is the primary factor in the present unfavorable balance. In recent years, the United States Government has been spending about $5 billion abroad annually . . . primarily for maintaining our military establishment and for economic aid.

This $5 billilon must be offset to help return the national economy to a favorable payments position. Government cannot do it. Government can only spend, not earn. Thus, the nation's industry must earn it . . . not only through exports but also through profits on foreign operations.

Opposes Taxing Foreign Earnings

Unfortunately, the President has proposed that the U. S. Treasury levy taxes on the earnings of American subsidiaries abroad at the point where they are earned, instead of taxing such profits when they are paid to U. S. parent companies as dividends.

Such a practice *could* be a repudiation of our tax treaties with foreign governments, for the U. S. would be reaching into foreign countries to collect its taxes. And it definitely *would* be a crippling blow to the ability of American subsidiaries to compete and to expand abroad with earnings generated there.

The President's proposal is hardly a step toward improving foreign relations or toward helping American business overcome the *government*-created deficit in international payments.

Right now, U. S industry is doing a good job in an already difficult situation, and is offsetting all but about $1.5 billion of Uncle Sam's overseas spending. But this $1.5 billion gap must still be made up . . . and that is perhaps the most compelling reason of all why American business must be put on an equal basis for world competition . . . why this foreign tax proposal should be rejected . . . why depreciation provisions must be liberalized . . . why capital equipment costs must be held down . . . why wages must be realistically determined.

Otherwise, the so-called "flight of gold" could develop into a 'migration of gold," government regulations and proposals notwithstanding, and this nation could really be in trouble.

In closing, let me say that the arguments I have advanced for what I believe to be the economic and political necessity of "going international" are by no means complete. They are but an overture whose themes and variations can be developed in many ways, as one may choose.

But it is my deep conviction that "opportunity international" has never been greater . . . and that we must take advantage of it now, before others gain an insurmountable lead. In fact, I would say that the American corporation — and particularly the American steel corporation—that does *not* participate in world trade . . . is not doing its best for its owners and, perhaps more importantly, is not doing its share in enhancing the unity, the well-being and the security of the free world.

In our time, there will be no better advertisement for freedom than nations in which private American capital has helped people help themselves.

There is no better weapon against communism . . . no better tool for ending want and suffering in the world.

Today the world is our business . . . and our system of free choice and private capital is both our sword and our plough-share.

Let us use it fully.

*An address by Mr. Johnston before the General Meeting of the American Iron and Steel Institute, New York City, May 25, 1961.

Midwest Stock Exchange Receives Official Slate

CHICAGO, Ill.—Norman Freehling has been named official candidate for Chairman of the Board of Governors of the Midwest Stock Exchange, it was announced by James W. Pope, a partner of Glore, Forgan & Co. and Chairman of the Nominating Committee.

Norman Freehling

Herman J. Sheedy

Walter J. Buhler

Chancellor Dougall

William E. Ferguson

Gus G. Halliburton

Herman B. Joseph

Arthur C. Sacco

Gordon Scherck

Nomination is tantamount to election. Balloting among the Exchange's 400 members will take place Monday, June 5.

Mr. Freehling is a partner of Freehling, Meyerhoff & Co., a member firm of the Midwest Stock Exchange since 1947. He has been active in the securities business since 1927.

Herman J. Sheedy, partner of McDonald & Company, Cleveland has been nominated for Vice-Chairman of the Board.

Chicago nominees for Governor, each to serve three years are Walter J. Buhler, floor member and partner of Buhler & Co.; Chancellor Dougall, floor member and partner of Chancellor Dougall & Co.; William E. Ferguson, partner of Thomson & McKinnon; Arthur C. Sacco, partner of Webster, Marsh & Co.

Other nominees are Gus G. Halliburton, Vice-President of Equitable Securities Corp., Nashville; Herman B. Joseph, President of Joseph, Mellen & Miller, Inc., Cleveland; S. Jay Marsh, Vice-President of Woodard-Elwood & Co., Minneapolis; and Gordon Scherck, Chairman of Scherck, Richter & Co., St. Louis.

Messrs. Buhler, Dougall, Ferguson, Freehling and Sacco are all serving on the Board of Governors at the present time.

Governors of the Midwest Stock Exchange are elected to serve three-year terms. Eight Governors and the Chairman and Vice-Chairman are chosen each year. There are a total of 26 Governors.

Empire Devices Common Offered

Hayden, Stone & Co., heads an underwriting group which made an initial public offering on May 31 of 105,000 shares of Empire Devices, Inc. common stock at $12 per share. The shares are being sold for the company president and the company vice-president and his wife and no proceeds of the sale will be received by the company.

Empire Devices, Inc., located in Amsterdam, N. Y., designs, develops and manufactures electrical and electronic test and measuring equipment and microwave devices. Its principal products are radio frequency noise and field intensity meters, used principally in checking electrical and electronic equipment, aircraft and missile parts and systems. As of Jan. 31, 1961 backlog of unfilled orders totaled approximately $1,578,000, compared with $1,333,000 on Jan. 31, 1960. Government orders accounted for about $904,000 of the 1961 backlog. Some 300 different customers were included in the balance of other such sales in the past fiscal year.

Forms Inv. Income

BROOKLYN, N. Y.—Nathan Orgel is engaging in a securities business from offices at 5702 Fourteenth Avenue under the firm name of Investors Income Planning.

Forms Laren Company

Kuno Laren is engaging in a securities business from offices at 26 Broadway, New York City, under the firm name of Laren Company.

Real Estate Termed Our Fastest Growing Industry

By Roger W. Babson

From motels to real estate, Mr. Babson discusses the opportunities and pitfalls in our fastest growing industry.

Perhaps the motel industry continues to be America's fastest growing industry from a money-invested standpoint; but the number of new individual motels declined in 1960. Motels are becoming "big business" and from an investment standpoint may now be classified with hotels. Motels, now, are hotels laid on their sides! Let me venture to say that real estate has become our fastest growing industry.

Real Estate in General

The first English translation of Sir Isaac Newton's Law of Action and Reaction — upon which the theory of the Economic Cycle and the business of most Investment Counseling are based—was made in 1729. In those days, this Cycle practically applied only to gold and real estate. The price of gold has since become controlled by the Federal Government; but the cycle theory still applies to real estate. I personally believe that we may have passed the peak of the present real estate cycle.

Of course, the general condition of business always has a profound effect on the real estate situation, —housing in particular. Since I fear that no great economic boom is now probable, the immediate future of real estate must depend upon other factors. One of these is the availability and cost of money. Another is the cost of new building. Neither of these factors is now helpful to real estate.

Consider Human Factors

Another thing to remember is that the regularity and balance of cycles in real estate activity are especially pronounced. Upward and downward swings tend to match, in both intensity and duration. But according to Sir Isaac Newton's Law, it is the **product** of the **intensity** and **duration** which must ultimately balance. As the **intensity** of the recent real estate boom has been rather magnified, then the **duration** of the following slump may be greater than expected. This is contrary to most reasoning, but this is Newton's Law.

Overextension and retrenchment are psychological human forces which cannot be measured. Another human factor is the large number of people reaching the age of 20, which means more marriages. This will call for more rented houses and small apartments. The big home-buying age is 30 - 35. The percentage of Americans reaching these ages has begun to decline. There is, however, a growing trend toward home ownership, especially homes in the suburbs. This figure is now 60%. Hence, rental price rises have fallen below the cost-of-living advance. Foreclosures have been increasing in certain new subdivisions. Office buildings continue in demand, with vacancies of not over 5%.

Watch Farm Land

Since the Kennedy Administration's policies should result in higher income for the farmer, I expect a further rise in farm land prices—especially land near cities, both large and small. The old advice: "Buy by the acre and sell by the foot" is still good. Also remember that each city is growing fastest in some one direction —it may be "east" or "west" or "south."

Before speculating in vacant land, there are certain facts you should get: Determine the current land values and prices in the area, tax rates and appraisal methods, new roads and highways approved for construction (as well as those in the proposal stage), all pertinent construction plans by government and private enterprise, the growth rate in the area as compared with other sections of the country. You must guess: The length of time before land appreciation will take place, the possibility of being isolated by highways not yet proposed, the danger of sharp tax-rate boosts, the future cost of utilities, likelihood of industrial expansion, and future prospects for existing industries.

In Summary: Real estate investment at this time can still be sound—particularly in relation to many other profit ventures—but the absence of any evidence of a great new boom makes it more important than ever for you to select your vacant-land investment with great care. Final thought: Remember how fast interest and taxes pile up!

Jodmar Industries Common Offered

Fontana Securities, Inc., New York City, is offering 75,000 shares of this firm's 10 cent par common stock at $4 per share. Net proceeds from the sale, estimated at $227,000, will be used by the company for the purchase of additional inventory and equipment, for sales promotion and advertising, and for reserves.

Jodmar Industries, Inc., of 8801-11 Farragut Rd., Brooklyn, N. Y., is in the business of the design, lay-out, installation and maintenance of commercial and industrial heating and air-conditioning systems. When the company is informed of new construction or renovations in the New York City area it bids on the installation and maintenance of heating and air-conditioning systems for these jobs. The company plans to expand its present operations and manufacture air-conditioning and heating component parts.

Elected Director

Irving Abelow, Senior Partner of the New York investment firm of Mitchell & Company, has been elected to the board of directors of Burgess-Manning Company, Libertyville, Ill., according to an announcement by S. G. Paddock, President of Burgess-Manning, following the company's annual meeting.

Named Director

T. S. Petersen, President and Director of Standard Oil Company of California, has been elected a Director of The Lehman Corporation, it was announced by Robert Lehman, President of The Lehman Corporation.

In Securities Business

Syndication Investors Management Company, Inc. is engaging in a securities business from offices at 527 Madison Avenue, New York City.

In Securities Business

BROOKLYN, N. Y. — Nathan Thumim is engaging in a securities business from offices at 408 St. Johns Place.

Stephen Secs. Branch

WICHITA FALLS, Texas — Stephen Securities Corporation has opened a branch office in the Oil & Gas Building under the management of A. Rufus King.

THE SECURITY I LIKE BEST...

Continued from page 2

equivalent to over $17.00 per share of stock outstanding.

NYH reacquired 93,163 capital shares in January 1955 through tenders for $4.4 million and the remaining 94,474 shares were split 3 for 1 in January, 1959.

NYH has paid dividends in every year since 1887 except for 1890 and 1895. Current rate is 35¢ quarterly.

Other statistics follow:

	Earnings Per Share	Dividend Per Share	Price Range	No. Shares Outstanding
1961 (1st quar.)	*$0.70	$0.35	37½-27½	304,000
1960	1.81	1.40	43 -25⅛	304,000
1959	1.91	‡1.73	†45 -22	302,012
1958	3.88	3.25	69 -39½	94,474
1957	3.80	3.75	78 -39¼	94,109
1956	5.43	5.25	64 -51	93,749
1955	8.68	4.59	80 -40	93,114
1954	8.47	4.00	46¼-20	185,632
1953	12.69	2.75	28¾-25	185,632
1952	3.36	2.95	34½-21⅞	185,632
1951	3.89	3.25	40 -31	185,632
1950	4.99	3.50	31 -22½	185,632

* Including 39 cents (before taxes) profit from security sales.
‡ Before 5% stock Dec. 31.
† After 3 for 1 split; bef. 73¼-63.

Internal Revenue Service indicated it will allege that the Company is not entitled to classification as a Western Hemisphere trade corporation under which the company has traditionally operated. Estimated additional tax liability would approximate $850,000 (of which $400,000 would relate to the W. H. issue).

The company has traditionally operated in Honduras under concessions and contracts for 20 year periods, but beginning Jan 1, 1961 operates under the Honduras Mining Code without any materially adverse effect on operations or earnings.

To the best of the writer's knowledge, there is no other primary silver producer that can match NYH's silver production of almost 9 ozs. per share coupled with assured and probable ore reserves of approximately nine years.

During the boom in silver stocks in the early thirties, U. S. Smelting, Sunshine and Cerro de Pasco, were prominent besides New York and Honduras. None of these companies can equal the per share production, even though United Keno, Lucky Friday or Fresnillo each produce better than 1 ozs. per share of stock outstanding. NYH's 1960 silver production from the El Mochito mine was equal to about 6½% of the year's silver production in the United States and 8% of that of Canada.

Currently quoted at $35 per share and paying cash dividends of $1.40 for a yield of 4%, New York and Honduras appears attractive. With assets of $17.00 per share outside of Honduras, the political risks inherent in a South American investment appear minimized compared to the capital gain possibilities should the price of silver stage a considerable advance in the future.

The Management of New York and Honduras is headed by young and capable R. M. Reininger and supported by the wise counsel of Lewis L. Clarke, Chairman of the Board. The foresightedness of the Management in achieving diversification, I understand, can be expected to continue.

STATE OF TRADE AND INDUSTRY

Continued from page 5

in the first half and 55 million tons in the second. It pegs the year's total at 100 million tons vs. 99.3 million in 1960.

Third quarter production will probably be close to the 25 million tons *Steel* expects to be made this quarter. Demand will be influenced by vacations in metalworking plants and model changeovers in the automotive industry.

A fourth quarter upturn to 30 million tons is likely because the broad economic recovery now getting started will mean that:

(1) Automakers will be turning out new models at a fast clip.

(2) Output of consumer durable goods will be stepped up to meet demand.

(3) Spending for capital equipment will increase markedly.

The magazine looks for the upturn to continue into 1962 as users build inventories to hedge against a steel strike possibility in midyear.

Steel production is ahead of the year ago pace, and the gap is expected to widen at least through the July 4 holiday week. A year ago, the production trend was equally steady—but in the opposite direction.

This week's output will slightly exceed the 2,080,000 ingot tons that the magazine estimates the industry poured in the week ended May 27. *Steel* believes industry operations are at 72% of 1960 capacity.

Some customers are beginning to order ahead on hot and cold rolled sheets—not so much for inventory buildup as to meet prompt needs. Hot rolled sheets are still available for shipment in three weeks. Galvanized sheet deliveries continue well extended, with some sellers sold out through July.

Consumers appear to be buying bars against requirements in sight. They are doing relatively little stockpiling. There has been little noticeable change in delivery promises, which still range from two to four weeks.

Deliveries on sheared plates are beginning to get a little more extended. While ten day delivery is still possible, shipments generally run two to three weeks. Makers of chemical and food processing equipment are specifying plates fairly freely while missilework and other defense requirements are providing fair volume. One Midwestern platemaker reports it is in receipt of fair tonnage from barge builders.

The scrap market is showing stability. *Steel's* composite price on the bellwether No. 1 heavy melting grade held steady at $36.33 a gross ton for the third week.

Odds today favor a peaceful auto labor settlement, *Steel* reported. Negotiations start with General Motors Corp. on June 28, followed by Ford Motor Co. on June 29 and Chrysler Corp. on July 1. Probable terms: A two year contract with a package cost that's below what a panel of AFL-CIO economists predicts. (They say it will be eight to ten cents per hour per year.)

Steel Production Data for the Week Ended May 27

According to data compiled by the American Iron and Steel Institute, production for week ending May 27, 1961, was 2,077,000 tons (*111.5%), 2% over output of 2,037,000 tons (*109.3%) in the week ended May 20.

Production this year through May 27 amounted to 35,089,000 tons (*89.70), or 32.4% below the 51,880,000 tons (*132.6%) in the period through May 28, 1960.

The Institute concludes with Index of Ingot Production by Districts, for week ended May 27, 1961, as follows:

	*Index of Ingot Production for Week Ending May 27, 1961
North East Coast	106
Buffalo	120
Pittsburgh	93
Youngstown	103
Cleveland	122
Detroit	142
Chicago	115
Cincinnati	118
St. Louis	123
Southern	108
Western	121
Total industry	111.5

*Index of production based on average weekly production for 1957-59.

Passenger Car Production in U. S. Exceeds 500,000 Units This Past Month to May 26

May passenger car production in the U. S. passed the 500,000-unit mark this week as the nation's automakers closed out the final full week of the month with an upswing in assembly, *Ward's Automotive Reports* said.

The statistical agency set industry output this week at 127,969 cars, or 3.6% more than the 123,528 assemblies of last week. Equal to 89.9% of 142,359 cars produced in the same week of last year, it struck the most favorable parallel with 1960 car making the industry has attained this year.

Ward's estimated that scattered operations Monday and Tuesday, and a full work day Wednesday would bring the total May car count to upwards of 530,000, a gain of 18.9% over April; equal to 86.9% of 611,260 cars turned out in May 1960, and trailing May, 1959 by less than 3.0%.

Truck making for the week totaled 24,516 units, compared with 24,669 a week ago and 29,802 for the same 1960 week.

Only one U. S. auto plant — Chevrolet's Los Angeles site—was idle this week. Ford's Los Angeles facility and Cadillac in Detroit omitted Friday from production schedules, but one General Motors' and two Ford factories scheduled Saturday overtime.

Monday, preceding Memorial Day, only five of 16 Ford Motor Co. plants will operate, mostly in Falcon-Comet assembly. Chevrolet division will activate the Willow Run Corvair site on May 29, and its Atlanta plant, observing Memorial Day on a different date, will work Tuesday.

Buick, Oldsmobile and Pontiac divisions have scheduled general production for Monday, but Cadillac, along with Chrysler Corp., American Motors, and Studebaker-Packard Corp. will not resume operations until Wednesday, May 31.

Of this week's passenger car production, General Motors accounted for 46.0%; Ford Motor Co. 33.4%; Chrysler Corp. 12.2%; American Motors Corp. 7.3%; and Studebaker-Packard 1.1%.

Electric Output 3.2% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, May 27, was estimated at 14,390,000,000 kwh., according to the Edison Electric Institute. Output was 38,000,000 kwh. above that of the previous week's total of 14,352,000,000 kwh. and 452,000,000 kwh., or 3.2% above that of the comparable 1960 week.

Freight Car Loadings Up 3.1% Above Preceding Week

Loading of revenue freight in the week ended May 20, 1961, totaled 568,457 cars, the Association of American Railroads announced. This was an increase of 17,052 cars or 3.1% above the preceding week.

The loadings represented a decrease of 68,396 cars or 10.7% below the corresponding week in 1960, and a decrease of 117,695 cars or 17.2% below the corresponding week in 1959.

There were 12,065 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended May 13, 1961 (which were included in that week's over-all total). This was an increase of 768 cars or 6.8% above the corresponding week of 1960 and an increase of 3,357 cars or 38.6% above the 1959 week.

Cumulative piggyback loadings for the first 19 weeks of 1961 totaled 203,706 for an increase of 4,569 cars or 2.3% above the corresponding period of 1960 and 61,217 cars or 43.0% above the corresponding period in 1959. There were 58 Class I U. S. railroad systems originating this type traffic in the current week compared with 52 one year ago and 47 in the corresponding week in 1959.

Intercity Truck Tonnage 0.9% Behind Same Week Last Year

Intercity truck tonnage in the week ended May 20, was less than 1% below that of the corresponding week of 1960—off 0.9%, the American Trucking Associations, Inc., announced. Truck tonnage was fractionally ahead of the volume for the previous week of this year, up 0.1%.

These finding are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Retail Trade Slightly Exceeds Year Ago

Although some bad weather in certain areas held consumer buying in the week ended this Wednesday close to the prior week, over-all retail trade was up somewhat from the similar 1960 period. There were moderate gains from last year in sales of apparel, food products, television sets and garden supplies and volume in linens, draperies and furniture was close to the like week a year ago. In contrast, the call for most major appliances and new passenger cars remained on the down side.

The total dollar volume of retail trade in the week ended this Wednesday was unchanged to 4% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: South Atlantic +3 to +7; West North Central +2 to +6; East North Central and East South Central +1 to +5; Middle Atlantic 0 to +4; West South Central —1 to +3; Mountain —2 to +2; Pacific Coast —3 to +1; New England —5 to —1.

Nationwide Department Store Sales Increase 6% From 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended May 20, 1961, showed an increase of 6% above the like period last year. For the week ended May 13, an increase of 17% was reported. The four week period ended May 20, 1961, sales advanced 2% over last year.

According to the Federal Reserve System, department store sales in New York City for the week ended May 20, showed a 2% gain over the same period last year. In the preceding week ended May 13, sales showed a 21% decrease over the same period last year. For the four weeks ended May 20, a 4% increase was reported above the 1960 period, while from Jan. 1 to May 20 showed a 1% increase over last year's sales.

Precisionware, Inc. Common Offered

Pursuant to a May 25, 1961 prospectus, Hayden, Stone & Co., New York City, publicly offered 125,000 shares of this firm's $1 par common stock at $10 per share. Of the total, 50,000 shares were sold for the account to the company and the remaining 75,000 shares for certain selling stockholders. The company will use its share of the proceeds for plant expansion, additional equipment and tax inventory.

Precisionware, of 78 Livingston St., Brooklyn, N. Y., is a contract manufacturer of kitchen cabinets and other types of wood cabinets which it sells to builders, contractors and distributors. Giving effect to the sale of the above shares, authorized capital consists of 1,000,000 common shares of which 450,000 are outstanding.

Named Director

Richard de La Chapelle has been elected a director of Mill Factors Corporation according to an announcement made by Walter D. Yankauer President.

Mr. de La Chapelle is President and Director of Lee Higginson Corporation, New York City.

V. Pascale Opens

WESTPORT, Conn. — Victor V. Pascale is conducting a securities business from offices at 2 Oakwood Lane under the firm name of V. Pascale Investments. Mr. Pascale was formerly with Eisele & King, Libaire, Stout & Co.

New Goodbody Branch

ST. PETERSBURG, Fla. — Goodbody & Co. has opened a second office in St. Petersburg at 90 Thirty-first Street under the management of Albert Roberts III, with Edward K. Maloof Assistant Manager.

Warner, Jennings Branch

MIAMI BEACH, Fla. — Warner, Jennings, Mandel & Longstreth have opened a branch office at 1100 Kane Concourse, Bay Harbour Island, under the management of Albert P. Shore.

Jefferson Counsel Corp.

Jefferson Counsel Corp. is engaging in a securities business from offices at 52 Wall Street, New York City.

North Central Secs. Branch

STREATOR, Ill. — North Central Securities Inc., has opened a branch office in the Streator National Bank Building under the direction of Kester D. Pollock.

Parker, Ford Branch

TEMPLE, Texas — Parker, Ford and Company, Inc. has opened a branch office at 5 West Avenue A under the management of Harry O. Blanding, Jr.

Joins Glore, Forgan

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Hugh W. Morse has joined the staff of Glore, Forgan & Co., 111 Devonshire Street. He was formerly with Lee Higginson Corporation.

PUBLIC UTILITY SECURITIES BY OWEN ELY

Are P-E Multiples for Electric Utilities Too High?

During 1960-61 the so-called growth utilities have enjoyed price advances which are slightly reminiscent of the 1920s. Recently, one stock even achieved a price-earnings ratio close to 40, although more recently it has subsided to 34. While the compilations on which the following table is based are not all up-to-date, the figures will indicate the general trend:

P-E Ratio (Price-Times-Earns.)	Number of Stocks Elec.	Gas	Phone
22 and over	46	9	10
25 and over	25	5	6
30 and over	14	--	--

Several years ago a P-E multiple in the low 20s was considered "tops" for a growth utility, but recently a list of about 25 electric growth utilities showed an average multiple around 33. Moreover, there are now quite a number of stocks with price-earnings ratios of 22 or over, which can hardly be described as growth utilities based on past performance, since their five-year record of gains in share earnings equals (or is less than) the general average—about 6% per annum for electric utilities, 8% for pipelines and integrated gas companies, and 6% for retail gas distributors. Some of these companies have now received rate increases, making up somewhat for a lack of past growth; some are paying out a large proportion of earnings which (on a competitive yield basis) makes for an artificially high P-E ratio; some are expected to do better in future than they have in the past; while with the remainder there seems no good explanation for the ebullience of investors in bidding up these particular stocks when better bargains appear available.

Why have electric utilities become so popular in the past two years, with yields now averaging about 3.4% compared with 4.8% for preferred stocks and only slightly less for good bonds? Fear of inflation can't be the answer, as it may be with the majority of industrial stocks — for while utilities can cope with moderate inflation such as that of the last few years (with wage rates rising about 5% per annum) they would be affected adversely by severe inflation—as many of them were during the wartime period and for several years thereafter.

Moreover, the rise could hardly be based on hopes for improved regulation and more liberal rates of return. There has been a modest liberalization of return on rate base, perhaps from 5¾% to 6¼%, but it looks as though this is about as far as the commissions are willing to go at this time. Several of them — Florida and Pennsylvania for example—have ordered some moderate rate cuts, while in California the regulatory climate seems to be going from bad to worse. Moreover, the state commissions may eventually realize that, with high P-E ratios, the cost of equity financing is much lower now than in the past years, possibly more than offsetting the higher cost of senior capital.

While public power has probably been over-rated in the past as an adverse market factor, some weight must now be given to the fact that the Kennedy Administration is avowedly in favor of a huge Federal power grid, re-examination of once-dead projects such as Passamaquoddy, etc. The big Hanford plant in the Northwest is going to be turned into a big producer of electricity as well as plutonium. It looks as though the REAs may be encouraged to build generating plants and transmission lines of their own (using 2% Federal funds) instead of using power generated and "wheeled" by the private utilities in their area. While there has been no hint as yet from Washington, there is always a possibility that TVA, which already makes 10% of all U. S. power, may be encouraged to spread over a larger area—although last year's special legislation, authorizing it to sell its own bond issues, limited it to 5-mile expansion as compared with its existing perimeter.

To mention another adverse possibility for the future, there is the "little black box"—a fuel cell, a tiny atomic reactor or whatnot —which the householder might some day install in his basement in lieu of using power from his local utility company. To be sure this is a very vague threat, but the amount of money now being spent for research (both Federal and private) is so much larger than in the past that results seem bound to accelerate from here on. Of course the utilities themselves should benefit by some of the new gadgets or methods, which would improve their competitive ability to deal with the possibility of local power generation.

Despite these possible causes for alarm over possible future developments, there is of course much to be said for the future progress of the electric utilities. (We will not discuss gas and telephone utilities here, since investors' problems are less acute with respect to those stock groups.) The electric utilities enjoy one big advantage over the average industrial stock—they are seldom hurt by minor business recessions because of built-in protective features in their rate schedules—and they are usually affected much less than industrials by real depression, though of course the 1930's took a great toll of weak holding companies; in that case, however, declines in revenues were accompanied by increasing severity of regulation, both local and Federal, to an extent wholly unlikely in future.

Moreover, utilities have a built-in growth factor so far as revenues are concerned in the increasing use of larger residential appliances such as air-conditioning, the heat pump, etc. Electric house heating is "catching on" at a great rate in nearly all areas of the country, although major progress is in the simple "baseboard cable" method of heating in new homes. While better insulation of electric homes is necessary for good results, there are some offsetting savings such as omission of central heating facilities and wall ducts as well as part or all of the chimney. A "Gold Medallion" home with electric heating may use up to four or five times as much electricity as the average old-fashioned home. The growth idea is quite valid; the problem is how much of the gain in revenues can be brought down to net earnings.

Summarizing, there seems some reason to feel that electric utilities may have about "had it" so far as P-E ratios are concerned. In fact there seems to be some noticeable affect on prices of growth utilities recently as the result of a lead story in the *Wall Street Journal* on public power. One policy for investors would seem to be to search for unrecognized growth utilities which are still selling at reasonable multiples, and to replace some of the "high fliers" with these secondary issues. Moreover, the holders of growth utilities should keep a close "weather eye" on regulatory trends (and possible inroads of public power) in the states in which the companies whose stocks they own do business.

N. Y. Stock Exch. Names Officers

J. Truman Bidwell has been elected Chairman of the Board of Governors of the New York Stock Exchange. Mr. Bidwell, a member of the Exchange since 1941, acts as an independent floor broker specializing in institutional business. He served from 1953-1958 as a member of the Exchange's Board of Arbitration. In 1958 Mr. Bidwell was elected to the Board of Governors and was named Vice-Chairman in 1959.


J. Truman Bidwell

The new Chairman succeeds Edward C. Werle, who will complete his third one-year term as Chairman. Annual elections have been held since 1817 when the Exchange, then in its 25th year, adopted a formal Constitution.

Six new Governors were elected for three-year terms:

Andrew M. Baird, Vice-President and Director of A. G. Becker & Co. Incorporated, Chicago. Mr. Baird has served both as a Governor and Vice-President of the Investment Bankers Association and is presently a member of the Board of Governors of the National Association of Securities Dealers.

Howard E. Buhse, a partner in Hornblower & Weeks, New York City. Mr. Buhse served as Chairman of the Board of Governors of the National Association of Securities Dealers in 1951 and as Governor of the Bond Club of Chicago in 1958.

James Campbell, Jr., a partner in the specialist firm of Marks & Campbell, New York City. Mr. Campbell began his career as a page on the New York Stock Exchange. He became a member of the Exchange in 1944, was appointed a Floor Official in 1959 and was a member of the 1960 Nominating Committee.

Benjamin Einhorn, a partner in the specialist firm of Astor & Ross, New York City. Mr. Einhorn also entered the securities industry as an Exchange page. He has been a member of the Exchange since 1929 and served on the Exchange's 1957 Nominating Committee. Mr. Einhorn is a member of the Advisory Committee of the New Jersey Bureau of Securities and is Co-Chairman of the Wall Street Division of the Federation of Jewish Philanthropies.

Walter S. Robertson, a partner in Scott & Stringfellow, Richmond, Va. Mr. Robertson has held important government assignments under three Presidents. In March 1953, Mr. Robertson was appointed by President Eisenhower as Assistant Secretary of State for Far Eastern Affairs and held this position until July 1, 1959.

John J. Sullivan, President of Bosworth, Sullivan & Company, Incorporated, Denver, Colo. Mr. Sullivan, a member of the Exchange since 1949, is past President of the Association of Stock Exchange firms; past Chairman of the National Association of Securities Dealers and former Governor of the Investment Bankers Association. He is a Knight Commander of St. Gregory the Great and a Knight of Malta.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The decline in prices of Government obligations in the past fortnight has been very sharp, reflecting a growing concern among nearly all followers of Treasury securities that the improved economic conditions are signalling an end to the easy money policies and the "nudging operations" of the monetary authorities. The liquidation of intermediate term issues by commercial banks has had a depressing influence on the quotations of these obligations in spite of reports that quite a few of the middle-term maturities have been bought by investors on price weakness.

The indications for the present are that sales of long-term Government bonds have not been large in spite of the desires of some owners of these securities to lighten positions. Public pension funds, nonetheless, continue to make their usual not too sizable commitments in the most distant Government bonds.

Buying on Weakness

The improved feeling about the trend of business appears to be having at least a modestly adverse effect on the market for all fixed income bearing obligations. This does not mean that there is not an important amount of bond money around seeking investment in fixed income issues. It is a matter of record that yields of corporate and tax exempt bonds when they reach levels that are considered attractive by institutional investors results in sizable purchases of these securities. In some cases these commitments are being made when the securities are originally offered, while in other instances they are made after the syndicates have been dissolved and quotations have gone down from the issue price. This appears to indicate that there is little doubt but what there is a sizable interest around among investors for bonds as the yield of these obligations reach levels which are considered to be satisfactory. The buying of non-Federal bonds has not been at the expense of Government bonds to any great extent since quite a few of the buyers of corporate bonds have also made their usual limited purchases of Treasury bonds.

There is no important interest in tax-free bonds for most of these bond buyers. On the other hand, state and municipal bond although there is no shortage in the supply of these securities continue to move out from underwriters, dealers and traders positions into the hands of investors as the prices of the tax-sheltered obligations reach levels that are considered to be attractive.

Long Governments Not in Demand

As against this continued buying of the corporate and tax-exempt bonds, there is only a minor amount of purchases being made at this time in long-term Government bonds. This is being attributed in no small measure to the beliefs which are around that, with the curve of business now on the upside, this is not the time to be putting money into long-term Government bonds. It is evident that the betterment in economic conditions means to many buyers of bonds that interest rates will eventually go up, so the only place to invest funds is in the short-term area of the Government market.

This kind of thinking has also brought into the long-term sector of the Treasury market a modest amount of liquidation, mainly from those who were not able to dispose of their bonds when prices were on the way up. Even though there are bonds for sale in the more distant areas of the Government market, it is not believed that the amount is sizable. And it would not take very much of a change in market psychology to have most, if not all of these offerings disappear from the market.

Concentrating on Short Maturities

There is no question about the demand which is in the market for short-term Government issues since it appears as though funds which move from one free world money center to another are, according to advices, being concentrated here. In spite of the buying that is going on in near-term Government issues, there is not likely to be any shortage of these securities, so that yields will go down.

The intermediate-term issues in the Treasury list have been a bit on the soft side in line with the defensive tenor of the whole Government market. And, according to reports, there is important selling in these securities. The current price movements in these middle-term maturities does not appear to look like what is usually known as a professional market operation.

Therm-Air Mfg. Co. Common Offered

Pursuant to a June 1, 1961 offering circular, Harry Odzer Co., New York City, is offering 60,000 shares of this firm's 10 cent par common stock at $5 per share. Proceeds of the offering will be used for general corporate purposes.

Therm-Air Mfg. whose address is Peekskill, N. Y., manufactures self-controlled contained packaged temperature and humidity control equipment.

Jack Kirsch Opens

FAR ROCKAWAY, N. Y.—Jack Kirsch is engaging in a securities business from offices at 1325 Dickens Avenue. Mr. Kirsch also maintains an office at 475 Fifth Avenue, New York City.

A. J. Linam Opens

HOUSTON, Texas—A. J. Linam is engaging in a securities business from offices at 1911 South Shepherd Drive under the firm name of A. J. Linam &Co.

Prudential Syndicate

Prudential Syndicate Services, Inc. has been formed with offices at 54 Franklin Street, New York City to engage in a securities business. Abraham Klein is a principal.

Ball, Burge Branch

PITTSBURGH, Pa.—Ball, Burge & Kraus has opened a branch office in the Law & Finance Building under the management of Theodore Buczkowski.

Commonwealth Securities Opens Branch

CINCINNATI, Ohio—Commonwealth Securities Corporation has opened a branch office in the Mercantile Library Building under the direction of John P. Roach.

Lieber Landau Opens

Lieber Landau is engaging in a securities business from offices at 878 West End Avenue.

New Tax Proposals Defended By Administration's Expert

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machinery and equipment with more than a six-year life, and commercial buildings in all businesses except public utilities other than transportation, As applied to these assets, it is more generous than any allowance in Western Europe. It should be remembered that the credit does not reduce the depreciation base, so that 100% depreciation remains available. The credit is thus the tax equivalent, for a 52% taxpayer, of a deduction of 29% of the cost of the new investment, for a 30% taxpayer of 50% of the cost—and the asset can still be fully depreciated. How can an incentive this powerful be made available without huge revenue loss? The answer lies in the effort to concentrate the incentive at the margin, through granting the 15% credit to investment expenditures in excess of current depreciation allowances. Since depreciation is really a long run average of prior expenditures, the credit is thus aimed at additional expenditures above a long run average. The revenue loss not wasted on an across-the-board credit is devoted to investment above the average.

No tax incentive will hit the target exactly, a weakness of any tax incentive. But other forms of incentive also will overlap the target — lowered interest rates often are a windfall to the well-heeled company and do not help the small company that may have trouble in getting bank credit. The question for the tax incentive is one of the range of qualifying businesses if the depreciation standard is used as the measure. We find that over a six-year average 85% of the large corporations averaged expenditures in excess of depreciation—156% is the ratio. Even so, to increase eligibility, a lesser credit of 6% would be allowed for investment in excess of 50% of depreciation. And, finally, as an aid to small business, a minimum credit would be granted of 10% of expenditures up to $5,000.

For 1961, we find this: the planned expenditures of 94% of all business firms would be substantially covered by the minimum credit. Of the remaining firms, which account for the greater part of our national production, 60% are eligible for the 15% credit and 25% more for the 6% credit. The opportunity to qualify—to get the incentive for the marginal investment—is thus very broad, and the incentive remains powerful since revenue is not wasted on most of the investments that would be made anyway. If an across-the-board credit were utilized instead, so that all investment qualified, the credit would be only 7% for the same revenue loss — clearly a lesser incentive than the 15% available for most above average investment.

Takes Issue With U. S. Chamber Of Commerce

Why should many business organizations appear to object to this incentive? I find the question genuinely puzzling. And I may add, I am not alone in this since my colleagues in the Department of Commerce are equally puzzled. That Department, after independently considering various incentives, told the Treasury in emphatic terms that the credit device was superior to other proposals, including accelerated depreciation.

Let us look at a few of the arguments. The Chamber of Commerce says that the credit is a tax subsidy and "philosophically, we have difficulty with the idea of subsidies, direct or indirect. Only *in extremis* are they warranted. Unfortunately, a tax subsidy to one group inevitably and understandably leads to demands for comparable subsidies for other groups. . . . We have considered it advisable to keep on striving for neutrality in the Code." I guess my academic friends who also talk tax neutrality will be somewhat surprised that they have found a convert.

The Chamber does recommend that an additional 20% deduction be given on all depreciable equipment in the first year. And other groups have recommended 30% or higher allowances. Curiously enough, these are not regarded as subsidies by business, though their revenue loss to the Treasury is much greater than that of the credit. The answer to this strange dichotomy, if any can be found, may be in the belief that such an initial allowance or other form of accelerated depreciation does not really involve a revenue loss to the government. This belief rests on the fact that an increase in initial depreciation means a decrease in later depreciation, so that the government is supposed finally to come out even.

Let us consider this. The initial revenue loss of accelerated depreciation is quite large — $3.3 billion for a 30% initial allowance, as against $1.7 billion for the credit. In effect the taxpayer under accelerated depreciation is reducing his tax payments now in return for paying more later. But he will pay more only when he makes up the difference as his depreciation deductions drop off. On any particular asset this occurs in the later life of the asset. But as respects a continuing business as a whole, a drop in depreciation on an existing asset is offset by accelerated depreciation starting all over again on other assets subsequently acquired. As a consequence, the loss is never made up until the business terminates or declines.

Cites an Example

Suppose a business with 10 machines each costing $1,000 and each with a 10-year life. Assume the taxpayer replaces a machine a year. His total annual depreciation deduction under straight-line depreciation (10% of cost a year) is then $1,000. Now suppose accelerated depreciation is adopted in the form of permitting the entire depreciation deduction to be taken in the first year. In year one, the taxpayer—following his pattern of a machine a year—buys a machine for $1,000. His depreciation deduction is $1,000 for that machine under accelerated depreciation and $900 under normal depreciation for the old machine, or a total of $1,900 —in contrast to $1,000. In year two, he buys another machine, and his total depreciation is $1,000 plus $800, since the first new machine is no longer depreciable. In the third year, it is $1,000 plus $700 as he buys another machine, and so on. Finally, after he has used up all his old machines in the tenth year, he will then be getting each year thereafter a deduction of $1,000 a year as he continues to buy each new machine. This is equivalent to the deduction he always had before accelerated depreciation was introduced. But over this 10-year period his depreciation deductions were increased by a total of $4,500 as a result of the operation of accelerated depreciation, and in turn the government lost that revenue. In a growing business, the revenue loss is greater as additional machines are bought and then replaced. It is only when and if this taxpayer stops replacing machines that he starts to lose depreciation. But on the aggregate this does not happen in a stable or growing economy.

In short, where there is only a tax postponement as respects any particular asset, considering the business as a unit and assuming a constant rate of investment, the revenue loss from accelerated depreciation is permanent. While the annual net revenue loss from a speed-up in depreciation may decline as postponed tax payments come due in later years, the earlier losses are never recouped. Hence, accelerated depreciation, though it does not reduce the tax basis for depreciation, is a subsidy and involves a permanent revenue loss. As compared with the investment credit, the revenue loss of accelerated depreciation is initially much larger and continues at least as large for 10 years or more.

The important and crucial question is which does the better job with the least revenue loss, and the least undesirable collateral effects. As to the better job, the 15% credit in terms of the profitability of a particular investment, that is, its rate of return is equivalent to 50% additional depreciation in the first year. Yet the revenue cost of the latter is far greater, whether applied across-the-board as most accelerated depreciation advocates desire or limited to excess investment. If you will go back and do the arithmetic under the credit for a qualifying investment, you will see its effect. It is interesting to observe that business organizations in recommending a 20% or even a 30% initial allowance are thus not even coming close to the stimulus afforded by the credit.

The credit is thus far more powerful. Secondly, the credit does not confuse incentives with the function of depreciation. The latter is to fix the return of cost over the useful life of the asset, and involves such matters as asset lives, recognition of obsolescence, and appropriate methods of depreciation. The Treasury is working on a study of these matters, one started in 1960, and will make a recommendation on this matter next year. The important point is that while we think depreciation lives must be reconsidered, we also think an incentive to new investment should be granted but the two should not be confused. If the two are confused, and depreciation is distorted to provide an incentive, we will never know what is incentive and what is depreciation. Thirdly, since the credit is not a deduction in computing net income as is a depreciation incentive, it will not be booked in the corporate records. It will thus avoid the distortion which accelerated depreciation can cause in the costs on which a firm bases its pricing and other business decisions.

Designed to Stimulate Investment

The case for the credit as against accelerated depreciation incentives is clear. The remaining question is whether the credit should be on an across-the-board method or on the excess method recommended by the President. The excess method aims at the goal of reaching the strategic investment — the investment not previously decided upon but which may be induced by the incentive. It seeks to avoid wasting its revenue on the investment that inevitably takes place year after year as business maintains its plant and equipment. This would permit a 15% credit under the excess approach rather than a 7% credit across-the-board for the same revenue loss.

An excess approach involves, however, a standard of measurement. Necessarily, that standard cannot apply with precision in each case—it may be too low for some, and too high for others. The proposal does have a modest but respectable incentive — the 6% credit—for those now investing under 100% of depreciation allowances. The excess approach is more complicated than an across-the-board credit, but the advantage of getting a 15% credit at the margin as compared with a 7% over-all credit is worth this price. The interesting fact is that the immediate revenue loss is distributed in about the same fashion among existing corporations under either approach. But the excess method concentrates that loss in the area above depreciation, and hence produces the higher 15% credit at the strategic level. In sum, the excess credit is superior to the across-the-board credit—and the latter is superior to the various forms of accelerated depreciation.

So much for the investment credit. The Administration, believing it is in the interest of the country that our productive capacity be increased through modernization and expansion of our facilities, has suggested this tax incentive. It has given careful consideration to demands from labor and others for a reduction in the individual income tax. However, it believes that as far as the tax system is concerned this year, the stress should lie in seeking a method to promote sustained economic growth. The credit will do this, and at the same time give a lift to the present business recovery and to increased employment. It is hoped that business firms and groups will view the situation as realistically as has the Administration — that they will recognize that the large revenue losses involved in the various forms of accelerated depreciation, wholly apart from the other problems associated with these devices, simply are not feasible from a budgetary standpoint. They might also recognize that the other claimants to tax relief, who place great stress on individual income tax reduction as the answer to our economic problems, are far less likely to yield their claims to expensive accelerated depreciation devices than to the investment credit. All the old proverbs about the bird in the hand have a pertinence here for the business community.

Withholding on Dividends and Interest

Let us turn to some of the other proposals, starting with withholding on dividends and interest. The essential facts are simple. All the relevant statistical data we can obtain show that there is a total of about $4 billion of dividends and interest not reported by individuals and that the revenue loss involved is close to a billion dollars. About 9% of dividends and 35% of interest are not reported. A remedy clearly must be found for this persistent lack of compliance. The President has suggested that it can be most appropriately found in a system of withholding on dividends and interest at the source. The system would involve a 20% withholding rate, applicable to dividends, corporate bonds, government bonds and savings accounts.

So much for the proposal—what are the misconceptions. One is that the remedy really lies not in withholding but in educational efforts designed to press on recipients of dividends and interest knowledge about the obligations of compliance. Yet the record is clear that despite the very great and generous efforts of banks, corporations, stock exchanges, and others to provide this education through millions of reminder notices, the percentage of unreported interest and dividends has improved only slightly and, indeed, the absolute amount of unreporting has increased. Resort to increased audit efforts and the use of automatic data processing is likewise not an answer to mass under-compliance—these methods depend on detailed data to be filed by all payors of interest and dividends, a factor which has itself blocked prior withholding proposals. Even if the payors were to supply data on all interest and dividend transactions, the task of matching information with tax returns and then of trying to collect the deficiencies would be administratively wasteful.

It's a "Simple System"

As for withholding itself, many banks and other payors of interest have the impression that it will be unduly burdensome and complex. I believe this is because they are thinking in terms of wage and salary withholding, under which each recipient must get an individual receipt and the government must also receive an individual statement for each employee. Yet, this is precisely not what the President has recommended. He has instead suggested a simple system under which the payor takes 20% of the totals of interest and dividends paid to all recipients and reports just this one figure to the government. No individual receipts or statements are required. The return form will tell the recipient to list his interest and dividends, increase them by 25% and pay tax on the total—then take a credit for the 25% increase. To be sure, here and there some adjustments in paying practices may be necessary, but I cannot see how the basic system can be regarded as burdensome.

Another misconception is that millions of individuals will suffer great hardships through overwithholding. Yet each year the Service pays out refunds of over $4 billion to some 35 million taxpayers, largely because of overwithholding on wages and salaries, and every one seems reasonably satisfied. Even so, to go as far as possible in the dividend and interest area to prevent any hardship for nontaxable recipients, the plan proposed involves current quarterly refunds. Since interest and dividends are usually received quarterly or semi-annually, there would thus be no serious loss of income through overwithholding. Some inconvenience, yes—and also some explaining by patient bank executives or some letter writing by corporations. But we would soon adjust to all this—and collect about $600 million in taxes and be able to concentrate on the remaining upper bracket noncompliance in this area—as well as to move on to other fields of noncompliance.

Dividend Credit and Exclusion Repeal

Let me proceed to another recommendation — this time to the 4% dividend credit and the $50 exclusion. Here the recommendation is certainly simple — repeal these features. They have not worked effectively to encourage investment and they have proved to be discriminatory and inequitable. The proof of their ineffectiveness lies in the fact that there has been no increase in net purchase of securities by individuals, and that the ratio of equity financing to debt financing has not risen — though the credit was adopted to increase equity financing and investment incentives. The discrimination and inequality lies in the fact that the benefits are concentrated in the upper income groups, so that as tax reduction devices the credit and exclusion are completely unfair. 63% of the total benefits of the credit and exclusion go to taxpayers with incomes over $10,000, and 55% to those with incomes over $20,000. 55% of the benefits of the exclusion go to individuals with incomes over $10,000. Again, viewed as tax reduction, not only do these benefits discriminate in favor of the upper brackets but within those brackets they discriminate in favor of dividend recipients as against salaries, professional income, and other incomes. They,

thus cannot be defended as appropriate ways to reduce our unduly high upper bracket taxes.

But the misconceptions are here —many and subtle. It is said that the combination of corporate and individual income taxes constitutes double taxation of distributed corporate profits and the credit and exclusion provide relief against double taxation. But if the problem is double taxation, one can insist that the relief fairly meet the problem. Yet this is precisely what the credit and exclusion fail to do. The burden of double taxation is 52 cents per dollar of corporate profit before tax for shareholders not liable to individual income tax, 42 cents for those subject to a 20% tax, and 5 cents for those in the top brackets. This is simply because if there were no corporate tax —and hence no double taxation—wealthy individual recipients would have to pick up the increased distributions at top bracket individual rates. The dividend credit and exclusion reduce the extra burden by 3 cents per dollar at the 20% level and 2 cents at the 91% level—so that the percentage reduction in double taxation is zero for those not subject to individual income tax, 8% for low income taxable shareholders and 41% for high income shareholders.

Can't Correct Double Taxation

As a remedy for double taxation the credit and exclusion are thus inherently unfair. The proponents of these devices will not face up to this simple fact. They will argue that a credit is fairer to the low-income brackets than a deduction would be—which is, of course, true, but which is no answer to the argument that the credit still remains inherently unfair and which is irrelevant since no one is urging a deduction. They will argue double taxation is bad, but again that is no answer to the contention that the credit is an improper solution. They will argue that the credit removes a greater percentage of a 20% tax on the dividend than of a 91% tax on the dividend—but that is no answer to the fact that the penalty of double taxation is not the individual tax but the corporate tax and the real issue is the relationship of the credit to the double taxation.

I have not seen a single proponent of the credit who will meet this basic issue. In fact, the defenders of the credit go the other way and recommend extension of the credit to 20%. They do this without attempting to answer the point that with such a credit the 91% stockholder will pay less overall tax on dividend income—counting both corporate tax and individual tax — than on non-dividend income. A solution for double taxation which makes it better to own a corporate business than an individual business is absurd.

Once the false support of the double taxation point disappears, the remaining misconceptions are readily apparent. It is argued that apart from double taxation, the credit and exclusion are good because they increase equity investment and encourage shareholders. This is said—but never proved. Reference is made, for example, to an increase in shareholders since 1954. A number of things have increased since 1954—from babies to big league baseball teams to Democratic voters. The question is whether the dividend credit and exclusion brought about the increase in shareholders. Savings deposits in banks and shares in savings and loan associations have also increased — without any credit or exclusion. In fact, all we probably really know is that tax conscious families have increased the shareholdings of the wife to get the maximum benefit of the $50 exclusion.

Equity Investment Argument Spurious

It is said that it is inconsistent to recommend an incentive for corporate investment by way of the investment credit and then to recommend elimination of the dividend credit and exclusion. But this assumes that the dividend credit and exclusion are an effective incentive to equity investment—and here the facts do not sustain this assumption. It is said that if equity investment hasn't increased, the fault is that the credit is too low and should be increased—again refusing to face the fact that an increase in this type of credit becomes an absurdity as a solution to double taxation.

Finally, it is said that the dividend credit was adopted after long study by the Congress in 1954 and therefore just shouldn't be reconsidered. The facts are that Congress has all along been skeptical about the credit. The Treasury proposed a 15% credit in 1954, the House reduced it to 10%, the senate eliminated the credit, and the Congress compromised at 4%. Since then the Senate has twice voted to repeal the credit.

There may well be a double taxation problem. But trying to shore up a demonstrably inappropriate remedy that offers a dead end to its further use is no way of meeting the problem. It may be that the British gross-up approach will bear study since it is a fair and defensible solution. Interestingly enough, no current supporter of the 4% credit has offered to demonstrate to Congress the complete change in tax benefits as respects the lower and upper brackets between the gross-up approach and the 4% credit—though the CED has clearly presented this in its rejection of the credit and support of the gross-up method.

On Expense Accounts

The next recommendation relates to deductible business entertainment and the expense account. Here we need spend little time—for the misconceptions we see elsewhere are not so prevalent in this area. The reason is obvious—nearly all of us recognize, along with the President, that the deductible business entertainment and the handsome expense account have become in his words:

"A matter of national concern, affecting not only our public revenues, our sense of fairness, and our respect for the tax system, but our moral and business practices as well. This widespread distortion of our business and social structure is largely a creature of the tax system, and the time has come when our tax laws should cease their encouragement of luxury spending as a charge on the Federal Treasury. The slogan — 'It's deductible' — should pass from our scene."

I gather that responsible leaders in business and the professions agree. After all, the examples in Secretary Dillon's statement of what goes on today and what our revenue agents must allow under present rules are really shocking. I also gather that most of us agree that the recommendations go directly to the abuse. These are to disallow deductions for entertaining business guests at luxury facilities, as yachts, hunting clubs and the like, or at night clubs, sporting events and country clubs; to disallow deductions for business gifts above a minimal figure, and to restrict deductions for food and beverage at a business luncheon to a modest figure, $4-$7, and to restrict the deduction for food and lodging on business travel to twice the government per diem, or presumably $30 a day.

Any such set figures have their arbitrary aspects at the borderline, and a $30 figure may look different in Chicago or New York from a small city. But the government's per diem also looks different from city to city—and yet one figure is there set by the Congress for the countrty. It seems a little difficult to complain unduly about a figure that is over twice the government rate and over half the weekly wage of many workers. We should not allow the way of life to which we may have grown accustomed to distort our perspective and our sense of restraint.

I may be a bit optimistic about all this. When I asked one Congressman who will testify on this point, which company will testify that it wants its executives to base their business decisions on the basis of who gives them the best entertainment, he replied: "There is a company in my district that does a lot of business entertaining, dinners, parties, and so on. But the one I will hear about and the one that will be presented as the hardship will be the annual dinner they give for the Daughters of the Confederacy." As he said, while you always know who has loaded the gun, it is always interesting to see who they get to fire it.

Taxation of Unremitted Foreign Income

I come now to the last proposal I wish to discuss—the treatment of foreign income. Here the President has recommended that the tax advantages under our system that are afforded to foreign income be withdrawn as respects the industrialized and developed countries because they are no longer needed, and that the tax rules which have promoted a thriving boom in the use of foreign tax havens be ended. The principal tax rule involved as respects foreign investment is the non-taxation of the profits of foreign subsidiaries until repatriated to the United States, the so-called tax deferral rule. The principal rule as respects individuals is the complete exemption of income earned abroad when an American citizen resides abroad. The exhibits attached to the Secretary's statement show that this exemption has become a means of tax escape for a sizable number of persons in significant income brackets reaching up to a million dollars. The exemption has simply outlived its need and rational as respects the developed world.

As to tax deferral, the President's recommendations were based on the need to strengthen our balance of payments position, to remove tax disadvantages to investment in the United States as compared with investment in Europe, and to obtain additional revenue. Here the misconceptions are indeed many. It is said that the proposal is an attack on investment abroad and is designed to end all such investment. But the proposal is directed only at that investment which goes overseas to Europe—as against staying at home—because of tax advantages now obtaining for foreign investment. It seeks to move to tax neutrality in this respect. Investment which goes abroad for business reasons and not tax reasons is not affected. After all, we estimate that the reduction in funds leaving the United States would be about $100 million a year, or less than 7% of the present flow.

It is said that in the 1950's the government was encouraging investment in Europe and now it is unfair to remove the tax inducement. But this fails to recognize that changing events have forced changes in our foreign economic policy. In the 1950's we were interested— and rightly so— in restoring the economies of Europe and in redressing their dollar shortage. Today those economies are strong competitors and we are concerned about a serious dollar drain. We simply cannot afford to induce what we do not need and what is harmful to us — investment which leaves our shores for tax reasons.

In reply, it is said that this is a shortsighted policy, since foreign investment results in a favorable balance of payments figure as the returns from that investment are greater than the capital outflow. Here the figure often referred to is an $8 billion favorable balance in the period since 1950. But this figure is an over-all figure for our direct investment through both branches and subsidiaries, and the balance is favorable probably only because of branch operations in oil and other foreign natural resources—operations which are not affected by the proposal. No one disputes the Secretary's figure that as respects investment through subsidiaries in Western Europe—the point we are talking about — new capital outflow has exceeded remitted dividends by over $400 million in the last four years.

Moreover, no one seems willing to face up to the Secretary's demonstration that for nearly 20 years the remitted earnings from an investment made today in Europe will probably be greater without the tax deferral privilege than with it. And no one seems willing to recognize that the return from our existing investment will still be with us. In brief, our balance of payments will be strengthened now and for a long period to come, and that is what we need. It is no answer to say, "Be careful, we must not throw out the baby with the bath." Far too often that pat phrase prevents people from looking at the bath and finding there simply isn't any baby there.

Favored by Nations Abroad

It is next said that the host countries of Europe will resent this action and call it an interference with their plans and a disregard of their needs. Yet, as the Secretary pointed out, the finance ministers of the Common Market countries all recently informed us that the United States would be justified in discontinuing these tax incentives which encourage the non-remittance to the United States of profits made in Europe.

It is thought by some that the recommendation means that more foreign aid will be necessary. But our foreign aid goes not to Europe and developed countries but only to underdeveloped countries and here tax deferral will remain except for tax haven activities. It is said that our export trade to Europe will suffer, since our subsidiaries abroad obtain materials and supplies from the United States. This they do—but they also increase imports to the United States, and decrease other exports through the substitution of manufacture abroad for export from the United States. On balance it is not at all clear that the ultimate trade effects of investment abroad are any more than a standoff as respects the balance of payments.

It is then said that the United States subsidiaries abroad will not be able to compete with the nationals of other countries if our subsidiaries must, in effect, pay United States taxes. This claim overlooks the fact that many United States companies operating in high tax countries abroad pay taxes comparable to those in the United States, yet they compete effectively. Elimination of deferral may slow the growth of companies abroad, although this is not necessarily true if profit opportunities are good. In any case, we must remember that we have an interest in investment in the United States, in strengthening our economy, in strengthening our ability to compete internationally. The dollar that goes abroad is a dollar not invested at home. The National Industrial Conference Board reports that American companies with foreign operations have increased their allocation of funds for foreign investment as against domestic investment from 15% to 21% between 1959 and 1960 — the fourth successive year to year increase. All our proposal says is that to the extent tax factors have played a part in this increase, the result is disadvantageous to the United States position. It is more important to our over-all policy that the tax induced layer of this choice of foreign investments as against domestic investment be removed than that every single American business abroad be accorded United States tax advantages which would enable it to compete in every country in every line of business conducted by nationals of that country.

Subsidiary vs. Branch

One final thought on this treatment of foreign income. The Treasury last year recommended that the method of computing the credit for foreign taxes in the case of dividends from a subsidiary be corrected, to eliminate the reduced rate of tax that results if a subsidiary is used instead of a branch. This was opposed and no action resulted. This is again recommended this year and I gather that is is now recognized that its defense of this illogical result is no longer appropriate. It may not be amiss to point out that while the President this year has also recommended the elimination of the tax deferral privilege, he has not joined with those in the Congress and elsewhere who urge the withdrawal of the credit for foreign income taxes.

But an attack on the President's recommendation that misconceives the issues and does not discuss the real considerations can so confuse the whole area that in the end those who urge the far more severe course of withdrawing the foreign tax credit may strongly push that objective as the only way to cut through the maze. The effort of the President to point out that while tax deferral is no longer desirable in Europe and that tax havens should end but that the solid advantages of foreign investment should not be weakened by withdrawal of the foreign tax credit —these efforts could then well fail to the disadvantage of our foreign sector.

This then completes a review of the principal aspects of the President's Message. My purpose has been to present the issues and to remove misunderstandings and misconceptions. There is a danger, however, that in this analysis of the argumentation, in this attempt to separate debating points from real concerns, the over-all perspective may be lost. I hope that you will not lose sight of the essentials. We have here a significant allocation of tax revenues to the business sector to assist it in the modernization and expansion vitally needed to promote economic growth. We should not lose sight of the amount involved—almost $2 billion—or the fact that this allocation to the business sector has been made the focal point of the first tax proposal.

Moreover, in addition the President has stated that a study of depreciation lives and rules is being pursued and that the incentive credit will not foreclose later action on these aspects. In addition, the message is fiscally sound, since it seeks a balance of revenue losses and gains. The revenue gains are obtained through measures neither novel nor hastily conceived. After all, withholding on dividends and interest has several times passed the House and has been discussed for years. Repeal of the dividend credit has twice passed the Senate, and impartial students of the problem have long recognized the weaknesses of the credit and exclusion. Concern over expense accounts

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has been steadily mounting and a measure similar to the recommendation was adopted by the Senate last year. The proposals in the foreign income area are but the culmination of a steadily growing realization, both in Congress and elsewhere, that our country must be more prudent regarding its domestic economy and can no longer afford to be wasteful in its dollar drain. Finally, there are the significant statements of the President and the Secretary that the next step is a broad tax reform which will reconsider the top rates of individual income tax as well as the entire rate structure—a program that other Administrations have not been willing to undertake.

It is important that we discuss and debate these matters. But the discussion should avoid misconceptions and should not lose sight of the essentials. The President's program is broadly conceived in an objective, careful and nonpolitical approach to our tax problems. If, in turn, it is considered and examined in the same light, I am confident we will all be benefitted.

***An address by Mr. Surrey before the Bond Club of Chicago, Chicago, Ill., May 18, 1961.**

Changing Composition of Our Labor Force

Continued from page 15

occupational development noted is the more rapid increase in employment among white collar than among blue collar workers. I am sure this is of great significance to many of you because blue collar workers have more readily joined labor organizations in the past. However, it must be pointed out that although blue collar workers, as a whole, are expected to decline as a proportion of the total labor force in the next decade, we anticipate that blue collar workers will increase by more than three million and that the employment of service workers will expand by an additional one and one-half million.

A recent study of the occupational frontiers of trade unionism by Everett Kassalow, Research Director, Industrial Union Department, AFL-CIO, indicated that an important cause for the decline in trade union membership in recent years has been the increasing importance of white-collar as opposed to blue-collar workers in American society. He concluded that in the long run "labor's central social and political position as a power in modern society would be weakened if it remained an almost purely blue-collar force." The study further emphasized that labor would be giving more attention during the 1960's to organization in the rapidly expanding white-collar and service occupations. Jurisdictional problems, which have been involved in efforts to unionize production workers, are beginning to arise with equal intensity in the white-collar field. This will have important implications for labor and management.

At a time when we have a very grave unemployment problem on our hands, it may seem strange to suggest that one of the major challenges facing American labor and management in the next 10 years is the effective utilization of scarce manpower. As you are well aware, the paradox of labor shortages exists today in specific occupations as in the past in the midst of serious unemployment situations. Unless we do a better job of preparing the 26 million new young workers who will be knocking on the doors asking for jobs, this situation is likely to become even more serious in the next 10 years when the expanding areas of employment will require even more training.

It will not be enough to have the millions of additional workers we will need, or even just to have a million more jobs. We must match the workers and the jobs. We must get skilled workers, particularly for those fields where we have shortages — scientists, engineers, teachers, craftsmen, and skilled operators. This will be no easy task, especially when we consider that an estimated seven and one-half million youngsters will drop out of school during the next 10 years before receiving a high school diploma, and of this number one out of three will not even have gotten as far as high school. They will constitute a disadvantaged minority group in the American labor force — increasingly handicapped in competing for jobs because of the greater availability of graduates and the declining opportunities for partly-educated workers. We have noted that there will be no increase in the demand for unskilled workers, 30% of whom have less than a high school education. This points to the great need for persuading youngsters to stay in school, for strengthening our guidance and counseling activities, and for developing curricula and methods of teaching adapted to the needs and abilities of our young people. Labor and management can make a substantial contribution in this area by working more closely with our schools in discovering how to train, educate and guide workers for the future labor market. We must develop and then make full use of increasingly effective placement services.

The manpower problems of the 1960's, the broad outlines of which I have tried to sketch, will be many and complex. It will not be easy to succeed in fitting our labor force into the developing job opportunities and to increase our rate of economic growth sufficiently to absorb and support the great increase in our work force in the years ahead. It will require cooperative and creative teamwork on the part of many groups—educators, business and labor leaders and government officials—all of whom are represented at this conference. As President Kennedy has stated, "The next year, the next decade, in all likelihood the next generation, will require more bravery and wisdom on our part than any period in our history."

***An address by Mr. Buckley before the ninth annual Union-Management Conference, Notre Dame University.**

Prime Syndicate Associates

Prime Syndicate Associates has been formed with offices at 16 East 42nd Street, New York City, to engage in a securities business. Partners are Maurice Guild, Dominick Giresi, C. Anthony De Lucia, and Norman Steinberg.

H. Gunthardt Opens

(Special to THE FINANCIAL CHRONICLE)

ACTON CENTER, Mass. — Hans Gunthardt is conducting a securities business from offices at 23 Taylor Road. He was formerly with Mutual Fund Planning Corporation of New England.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Mutual Fund Contractual Plans

Reports from many sections of the country indicate that there has been an enthusiastic and growing acceptance of the various Contractual Investment Plans that are being offered by the mutual fund industry. For those who may not be familiar with the plans, the following is a brief summary of how they function: These plans are issued in completion amounts, usually starting with a final amount to be saved of a minimum of $2,500 over a 120-month period, and they vary in size from $5,000, $10,000, and even up to $100,000 completion amounts. The first initial, minimum payment, that is accepted at the time the contract is entered into is about 5% on the smaller plans, and around 10% on the $25,000, $50,000, and $100,000 plans. Regular monthly payments are then invested by a Custodian Bank Trustee in a particular mutual fund selected in advance by the investor. When the plans are completed, the value of the investment at that time will depend upon the liquidating value of the shares acquired.

Great Need for Such an Investment

Some years ago, life insurance companies made studies of what happens to the average man who starts out at age 25 and where he ends up at age 65. They reported that out of 100 young men, 35 would be dead at 65. Of those still living, only one would be wealthy, four would have enough income to be independent, the rest would be broke. I don't know how these figures would stack up today, but surely Social Security is not the answer because even if a man reaches 65, and receives the highest Social Security income, he is not going to be able to exist on the sum he receives without augmenting it by other means. If you look into the future, at the rate the dollar is depreciating, it is not a very heartening outlook for millions of men and their families.

Despite all the life insurance in force, there are still millions upon millions of people who will earn from $150,000 up to $350,000 (and more) in their working lifetimes, and still, all they will have at 65 will be their Social Security. What is the reason for this? Some claim that most people don't have the will power to save regularly. Others say that many people are like grasshoppers living for today. Others would like to have a plan to take care of their financial future but they don't know how to do it. No one takes them by the hand and shows them HOW. No doubt, these are contributing causes for this tragic situation.

The Man in the $7,500 to $15,000 A Year Income Bracket

There are millions of people who could save $25, $50 and $100 a month if they would only live on a budget, stop wasting their income on all sorts of non-essentials, and get down to earth for a change. We are plagued and besieged on every side today by manufacturers who wish to sell us things we can well do without, and installment loan companies that are ready to hang a rope around our necks to pay for this stuff at rates of interest that are a shocking disgrace.

In home after home throughout this land you will find children's rooms cluttered with toys that are not used, games that are not played and garages that are well supplied with rusted bycycles that are not oiled, and other paraphernalia too numerous to mention that no one uses, and no one looks at anymore. There are millions of people who live like this, and they will continue to do so until some salesman comes along and shoves their face into a long, hard, look at their own future, and ties them up on a contract to save something every month instead of tossing it away on impulse, and with blind disregard for their own welfare.

Mutual Funds Performing a Great Service

These contractual plans can also be acquired with life insurance. If a man starts a program and he dies before he has made his 120 payments the program will be completed for him. The cost of this insurance is very small and can usually be obtained without an examination, but not all occupations are eligible. These plans provide for automatic reinvestment of dividends. Monthly reminders are sent to the investor. A summary at the end of the year of all regular dividends credited, as well as capital gains, is furnished by the custodian.

The investor can select the type of mutual fund he wishes to buy in keeping with his investment objectives, such as, future growth over the longer term, income, or a combination of two plans can even be started at the same time. The plans can be registered in joint tenancy, they can be bought for children under a custodianship arrangement. When they are completed they can be converted into cash, or the shares themselves can be obtained from the custodian. They can even be left with the custodian and an arrangement to withdraw level amounts such as $100 a month, or other amounts depending upon the principal accumulated, can be made. The Custodian Bank holds the investment, credits the account with all earnings and pays these level payments monthly to the investor until the entire principal is exhausted, or until the investor wishes to change the arrangement. The flexibility is almost endless.

A Sound Investment

When you add the features that are inherent in all mutual fund investing to this plan it is no wonder that the great expansion of sales of these Contractual Plans is mounting to all-time highs all over the country. The investor has an interest in a widely diversified list of securities, selected by professional analysts to give him the maximum growth and income on his capital in line with his investment objective, and there is bank custodianship. There is supervision of the investment after he begins his first payment, by people who know a lot more about investing than he will ever know.

And most important of all, *the investor will be severely penalized if he stops the plan because there is hardly any value in it for him until at least two years' payments have been made.* Then the redemption values gradually increase. Like life insurance, the sales commissions, and other fees and costs, are deducted at the beginning and from the first installments made by the investor. This feature is properly explained by all fund salesmen who represent reliable firms. It is one of the features that should appeal to all investors and salesmen who understand that this Contractual Plan is not a stock, it isn't the M. I. P. plan sponsored by the New York Stock Exchange, but it is a long-term investment program that must be set up to fit the investment needs of each individual.

It takes salesmanship—creative salesmanship to do this. It requires dedicated salesman who will call on a man at his home or office, alone or with his wife present, and sit down for several hours, if necessary, and work out a system of saving that will keep him off the breadline at age 65, if he will only "pay himself first every month" NOW AND DO IT REGULARLY.

The salesmen needed, and the skill and effort required to sell these Mutual Fund Investment Plans, make it imperative that the salesman's commission is adequate and sufficient to pay him for doing a good ob. There is a vast difference between the kind of salesmanship needed to convince these candidates for poverty row that they should invest in a Contractual Plan, and that which is required in most other fields of security salesmanship. There will be several million more Contractual Plan investors in the next few years and it is one of the specific bright spots on the investment horizon, in my humble opinion, in this country today.

Joins First Columbus

(Special to THE FINANCIAL CHRONICLE)

COLUMBUS, Ohio—Earl C. Livesay has joined the staff of First Columbus Corporation, 1[illegible]½ Third Street, N. W., members of the Midwest Stock Exchange. Mr. Livesay was formerly with the Ohio Company and Hayden, Miller & Co.

Hub Planning Formed

BRONX, N. Y. — Hub Planning Inc. has been formed with offices at 318 East 149th Street, to conduct a securities business. Officers are Harry Bergman, President, Bernice Sherman, Vice-President, Manuel Lubow, Secretary; and Arnold Dutchen, Treasurer.

C. J. Brooks Opens

(Special to THE FINANCIAL CHRONICLE)

SAN GABRIEL, Calif. — Charles J. Brooks is engaging in a securities business from offices at 7135 North Sultana.

Forms F. J. Whitman Co.

(Special to THE FINANCIAL CHRONICLE)

SANTA BARBARA, Calif.—Fred J. Whitman is conducting a securities business from offices at 1114 State Street under the firm name of F. J. Whitman Company.

Mercier Opens Office

ROCHESTER, N. Y.—George E. Mercier is engaging in a securities business from offices at 6 State Street.

Form Paul Company

MANHASSET, N. Y. — Paul Schmergel is conducting a securities business from offices at 1616 Northern Boulevard under the firm name of The Paul Company.

A. de Jong Opens

Albert de Jong is engaging in a securities business from offices at 26 Broadway, New York City.

First Investors Branch

HARTFORD, Conn.—First Investors Corporation has opened a branch office at 983 Main Street under the management of Norman C. Manning.

In Securities Business

BROOKLYN, N. Y.—S. A. E. Corporation is conducting a securities business from offices at 60 Remsen Street.

R. J. Schoelkopf Opens

Robert J. Schoelkopf is conducting a securities business from offices at 20 East 68th Street, New York City.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	June 4	71.0	70.0	56.0	62.3
Equivalent to—					
Steel ingots and castings (net tons)	June 4	2,077,000	2,037,000	1,943,000	1,775,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	May 19	7,061,160	7,013,160	7,244,760	6,860,860
Crude runs to stills—daily average (bbls.)	May 19	7,893,000	7,906,000	7,765,000	7,935,000
Gasoline output (bbls.)	May 19	28,783,000	28,376,000	26,963,000	27,262,000
Kerosene output (bbls.)	May 19	1,693,000	2,158,000	2,614,000	2,218,000
Distillate fuel oil output (bbls.)	May 19	11,695,000	11,657,000	11,217,000	12,097,000
Residual fuel oil output (bbls.)	May 19	6,283,000	6,075,000	5,980,000	6,188,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	May 19	213,692,000	*216,566,000	222,225,000	214,128,000
Kerosene (bbls.) at	May 19	27,249,000	27,090,000	26,447,000	22,922,000
Distillate fuel oil (bbls.) at	May 19	86,867,000	85,530,000	84,622,000	87,972,000
Residual fuel oil (bbls.) at	May 19	43,390,000	43,354,000	41,791,000	38,875,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	May 20	568,457	551,405	533,435	636,853
Revenue freight received from connections (no. of cars)	May 20	495,353	491,105	489,166	541,791
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	May 25	$400,000,000	$410,700,000	$555,000,000	$389,100,000
Private construction	May 25	228,100,000	259,500,000	259,500,000	173,200,000
Public construction	May 25	171,900,000	151,200,000	295,500,000	215,900,000
State and municipal	May 25	123,600,000	118,600,000	212,000,000	175,900,000
Federal	May 25	48,300,000	32,600,000	83,500,000	40,000,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	May 20	7,740,000	*7,360,000	7,405,000	8,544,000
Pennsylvania anthracite (tons)	May 20	342,000	328,000	333,000	290,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	May 20	146	151	144	138
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	May 27	14,390,000	14,352,000	14,254,000	13,938,000
FAILURES (COMMERCIAL AND INDUSTRIAL)—DUN & BRADSTREET, INC.	May 25	368	303	369	299
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	May 22	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	May 22	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	May 22	$36.50	$36.50	$37.50	$32.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	May 24	30.600c	30.125c	28.600c	32.600c
Export refinery at	May 24	30.350c	29.750c	27.850c	30.275c
Lead (New York) at	May 24	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	May 24	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	May 24	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	May 24	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	May 24	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	May 24	111.000c	111.250c	108.250c	99.625c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	May 30	88.58	88.85	88.94	84.90
Average corporate	May 30	87.59	87.72	87.72	84.68
Aaa	May 30	92.06	92.20	91.91	89.09
Aa	May 30	89.92	90.06	90.06	87.18
A	May 30	86.78	87.05	87.18	84.17
Baa	May 30	82.15	82.15	82.15	78.90
Railroad Group	May 30	85.20	85.20	85.07	82.52
Public Utilities Group	May 30	88.81	88.81	89.09	85.07
Industrials Group	May 30	88.81	89.23	88.81	86.65
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	May 30	3.75	3.72	3.70	4.07
Average corporate	May 30	4.59	4.58	4.58	4.81
Aaa	May 30	4.27	4.26	4.28	4.48
Aa	May 30	4.42	4.41	4.41	4.62
A	May 30	4.65	4.63	4.62	4.85
Baa	May 30	5.01	5.01	5.01	5.28
Railroad Group	May 30	4.77	4.77	4.78	4.98
Public Utilities Group	May 30	4.50	4.50	4.48	4.78
Industrials Group	May 30	4.50	4.47	4.50	4.66
MOODY'S COMMODITY INDEX	May 30	367.9	366.6	365.7	378.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	May 20	303,563	308,698	306,093	296,404
Production (tons)	May 20	324,167	319,615	322,181	325,053
Percentage of activity	May 20	93	92	92	95
Unfilled orders (tons) at end of period	May 20	436,539	456,332	419,627	441,637
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	May 26	113.48	113.32	113.02	110.29
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	May 5	3,632,070	3,603,730	4,594,930	2,209,910
Short sales	May 5	654,800	640,370	921,740	445,740
Other sales	May 5	3,008,530	2,968,150	3,387,740	1,795,100
Total sales	May 5	3,663,330	3,608,520	4,309,480	2,240,840
Other transactions initiated off the floor—					
Total purchases	May 5	484,250	459,650	695,200	279,320
Short sales	May 5	47,800	47,100	134,300	65,600
Other sales	May 5	391,230	469,850	589,820	255,840
Total sales	May 5	439,030	516,950	724,120	321,440
Other transactions initiated on the floor—					
Total purchases	May 5	1,061,823	924,288	1,330,847	673,030
Short sales	May 5	129,710	86,580	292,370	120,830
Other sales	May 5	907,180	959,207	1,464,741	575,955
Total sales	May 5	1,036,890	1,045,787	1,757,111	696,785
Total round-lot transactions for account of members—					
Total purchases	May 5	5,178,143	4,987,668	6,620,977	3,162,260
Short sales	May 5	832,310	774,050	1,348,410	632,170
Other sales	May 5	4,306,940	4,397,207	5,442,301	2,626,895
Total sales	May 5	5,139,250	5,171,257	6,790,711	3,259,065
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	May 5	2,348,457	2,412,342	3,061,349	1,744,393
Dollar value	May 5	$125,469,076	$131,884,732	$156,089,293	$83,966,716
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	May 5	2,431,993	2,424,375	3,077,144	1,454,606
Customers' short sales	May 5	9,986	8,769	8,160	17,543
Customers' other sales	May 5	2,422,007	2,415,606	3,068,984	1,437,063
Dollar value	May 5	$118,523,110	$124,414,543	$145,401,925	$68,802,358
Round-lot sales by dealers—					
Number of shares—Total sales	May 5	746,590	738,630	935,400	368,700
Short sales	May 5	------	------	------	------
Other sales	May 5	746,590	738,630	935,400	368,700
Round-lot purchases by dealers—Number of shares	May 5	641,330	693,140	907,540	646,040
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	May 5	953,130	887,430	1,473,930	806,430
Other sales	May 5	23,057,300	22,446,960	29,149,630	13,693,380
Total sales	May 5	24,010,430	23,334,390	30,623,560	14,499,810
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	May 23	118.9	119.1	119.4	119.7
Farm products	May 23	86.1	*87.1	88.1	89.9
Processed foods	May 23	107.8	108.2	108.7	107.1
Meats	May 23	91.6	92.6	93.9	96.8
All commodities other than farm and foods	May 23	127.8	127.9	128.1	128.4

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
ALUMINUM (BUREAU OF MINES):			
Production of primary aluminum in the U. S. (in short tons)—Month of March:	152,023	138,560	170,688
Stocks of aluminum (short tons) end of Mar.	277,920	287,392	114,984
AMERICAN GAS ASSOCIATION—			
For Month of March:			
Total gas sales (M therms)	9,139,200	10,361,800	10,366,500
Natural gas sales (M therms)	8,864,700	10,014,300	10,036,900
Manufact'd & mixed gas sales (M therms)	274,500	347,500	329,600
AMERICAN IRON AND STEEL INSTITUTE:			
Steel ingots and steel for castings produced (net tons)—Month of April	7,585,000	7,086,389	11,564,683
Shipments of steel products (net tons)—Month of March	5,046,523	4,200,000	7,965,881
AMERICAN PETROLEUM INSTITUTE — Month of February:			
Total domestic production (barrels of 42 gallons each)	232,514,000	254,471,000	237,562,000
Domestic crude oil output (barrels)	204,274,000	223,497,000	209,986,000
Natural gasoline output (barrels)	28,225,000	30,960,000	27,559,000
Benzol output (barrels)	15,000	14,000	17,000
Crude oil imports (barrels)	28,768,000	33,688,000	29,730,000
Refined product imports (barrels)	30,117,000	33,481,000	29,377,000
Indicated consumption domestic and export (barrels)	298,622,000	346,759,000	307,260,000
Decrease all stocks (barrels)	7,223,000	25,119,000	10,591,000
AMERICAN TRUCKING ASSOCIATION, INC.—			
Month of March:			
Intercity general freight transport by 418 carriers (in tons)	6,925,247	5,835,652	7,143,013
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of April:			
New England	$32,596,542	$37,303,409	$32,349,706
Middle Atlantic	219,243,143	125,135,802	105,212,859
South Atlantic	40,751,128	57,559,814	64,795,834
East Central	109,460,860	131,917,368	108,183,722
South Central	104,298,311	107,369,662	94,933,186
West Central	47,298,033	56,408,591	38,262,741
Mountain	26,482,129	29,882,635	30,136,505
Pacific	135,395,869	146,327,680	120,448,504
Total United States	$715,526,015	$691,904,961	$594,323,057
New York City	167,345,165	85,530,462	65,865,346
Total outside New York City	$548,180,850	$606,374,499	$528,457,711
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES—Month of March (Millions of dollars):			
Manufacturing	$53,800	$54,100	$54,700
Wholesale	13,400	13,100	12,900
Retail	25,000	*24,700	25,800
Total	$92,300	*$91,900	$93,400
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE—Month of April: (000's omitted)	$914,000	$1,957,200	$896,800
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS RECORD — Month of April (000's omitted):			
Total U. S. construction	$1,817,000	$1,912,000	$2,005,000
Private construction	848,000	984,000	1,150,000
Public construction	969,000	928,000	855,000
State and municipal	776,000	658,000	697,000
Federal	193,000	270,000	158,000
COAL EXPORTS (BUREAU OF MINES)—			
Month of March:			
U. S. exports of Pennsylvania anthracite (net tons)	106,911	89,089	90,204
To North and Central America (net tons)	42,949	75,375	87,400
To Europe (net tons)	60,313	12,836	2,804
To South America (net tons)	94	------	------
To Asia (net tons)	3,555	878	------
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of March 31:			
Total consumer credit	$53,906	$54,102	$51,298
Instalment credit	42,058	42,264	40,020
Automobile	17,265	17,383	16,825
Other consumer goods	10,679	10,793	10,192
Repairs and modernization loans	2,922	2,935	2,783
Personal loans	11,192	11,153	10,219
Noninstalment credit	11,848	11,838	11,278
Single payment loans	4,417	4,381	4,191
Charge accounts	4,004	4,037	3,927
Service credit	3,427	3,420	3,160
COPPER INSTITUTE—For Month of April:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	106,611	*108,599	119,660
Refined (tons of 2,000 pounds)	128,440	*152,145	153,053
Delivered to fabricators—			
In U. S. A. (tons of 2,000 pounds)	125,905	*112,448	129,663
Refined copper stocks at end of period (tons of 2,000 pounds)	114,247	*139,274	63,373
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on April 29	19,736,000	19,773,000	19,957,000
Spinning spindles active on April 29	17,360,000	17,430,000	17,599,000
Active spindle hours (000's omitted) April 29	8,330,000	10,253,000	8,989,000
Active spindle hrs. for spindles in place Apr.	416.5	410.0	449.5
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1947-49 Average=100—Month of April:			
Sales (average daily) unadjusted	125	128	*139
Sales (average daily) seasonally adjusted	140	140	*146
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of April:			
Contracts closed (tonnage)—estimated	309,400	295,739	385,740
Shipments (tonnage)—estimated	318,657	292,361	322,701
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS—INSTITUTE OF LIFE INSURANCE—Month of March:			
Death benefits	$333,000,000	$292,200,000	$327,500,000
Matured endowments	64,100,000	56,500,000	63,500,000
Disability payments	11,500,000	10,200,000	11,100,000
Annuity payments	65,600,000	61,900,000	58,600,000
Surrender values	165,600,000	139,800,000	155,900,000
Policy dividends	164,700,000	122,600,000	153,600,000
Total	$804,500,000	$683,200,000	$770,200,000
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE—Month of April (000's omitted):			
Ordinary	$4,412,000	$4,685,000	$4,386,000
Industrial	581,000	605,000	597,000
Group	1,142,000	3,589,000	864,000
Total	$6,135,000	$8,879,000	$5,847,000

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

Accesso Corp. (6/15)
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

Acme Missiles & Construction Corp.
Jan. 6, 1961 filed 30,000 outstanding shares of class A common stock. **Price** — To be supplied by amendment. **Business**—The construction and installation of missile launching platforms. **Proceeds**—To selling stockholders. **Office** — 43 North Village Avenue, Rockville Centre, N. Y. **Underwriter**—None.

Action Discount Dollars Corp.
April 14, 1961 (letter of notification) 42,500 units, each unit to consist of one share of common stock (par one cent) and one share of class A stock (par $1). **Price**—$7 per unit. **Business**—The sale and redemption of trading stamps. **Proceeds** — For printing trading stamps, catalogues; advertising and franchise development. **Office**—26 Broadway, New York, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y. **Offering**—Imminent.

• A-Drive Auto Leasing System, Inc. (6/12-15)
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing).

Aeroflex Laboratories, Inc.
May 8, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—The manufacture of mechanisms and precision stabilization devices. **Proceeds**—For working capital, and general corporate purposes. **Office**—48-25 36th St., Long Island City, N. Y. **Underwriter**—None.

Advanced Investment Management Corp.
Jan. 13,1961 filed 300,000 shares of common stock. **Price**—$3.50 per share. **Business**—The company was organized in October, 1960 to operate an insurance home office service and management company with the related secondary purpose of owning investments in entities engaged in the insurance business. **Proceeds**—The company will use the proceeds estimated at $851,895 as a reserve for the acquisition of interests in life insurance; for furniture and fixtures; for the establishment of a sales organization and for working capital. **Office**—The Rector Building, Little Rock, Ark. **Underwriter**—Advanced Underwriters, Inc., Little Rock, Ark.

• Advanced Scientific Instruments, Inc.
May 19, 1961 filed 875,000 shares of common stock. **Price**—$1.15 per share. **Business**—The company was formed in March, 1961 to engage in the development, manufacture, sale and lease of electronic, electro-mechanical and electro-optical equipment. **Proceeds** — For equipment, developmental work and working capital. **Office**—1208 Title Insurance Building, Minneapolis, Minn. **Underwriter**—Naftalin & Co., Minneapolis.

★ Air Master Corp.
May 26, 1961 filed 200,000 shares of class A common stock, of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of aluminum storm windows and doors, and other aluminum products. **Proceeds**—For working capital, and other corporate purposes. **Office**—20th Street, and Allegheny Avenue, Philadelphia, Pa. **Underwriter**—Francis I. du Pont & Co., New York City (managing).

Air-Space Devices Inc.
May 4, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For repayment of bank loans, expansion, new equipment, and working capital. **Office**—1024 Burbank Blvd., Burbank, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

• Allison Business Services, Inc. (6/5-9)
April 17, 1961 (letter of notification) 100,000 shares of capital stock (par 10 cents). **Price**—$3 per share. **Business**—The supplying of temporary office personnel. **Proceeds**—To purchase assets of Rapid Computing Co., Inc. and for general corporate purposes. **Office**—122 E. 42nd Street, New York, N. Y. **Underwriter**—Hancock Securities Corp., New York, N. Y.

• Allstate Bowling Centers, Inc.
May 19, 1961 filed 300,000 shares of capital stock, of which 200,000 shares will be sold for the account of the company and 100,000 shares for All-State Properties, Inc., parent. The stock will be offered for subscription by holders of All-State Properties on the basis of one share for each nine shares held. **Price**—To be supplied by amendment. **Business**—The construction and operation of bowling centers in several states. **Proceeds**—For expansion and working capital. **Office** — 30 Verbena Avenue, Floral Park, N. Y. **Underwriter**—Bear, Stearns & Co., New York City.

Almar Rainwear Corp.
April 28, 1961 filed 120,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of plastic film raincoats and related items for men, women and children. **Proceeds**—For inventory, taxes, accrued sales commissions and working capital. **Office**—Washington, Ga. **Underwriter**—D. H. Blair & Co., New York City (managing).

Alside, Inc.
May 11, 1961 filed 200,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of aluminum siding and paneling for houses. **Proceeds** — For the selling stockholders. **Office**—3773 Akron-Cleveland Rd., Akron, O. **Underwriter** — Reynolds & Co., Inc., New York City (managing).

Amcrete Corp.
May 4, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** — The sale of pre-cast and pre-stressed concrete panels for swimming pools and pumps, filters, ladders, etc. **Proceeds**—For building test pools; advertising, inventory and working capital. **Office**—102 Mamaroneck Avenue, Mamaroneck, N. Y. **Underwriter**—Alexandria Investments & Securities, Inc., Washington, D. C.

• America-Israel Phosphate Co. (6/5-9)
Dec. 23, 1960 filed 125,000 shares of common stock, each share of which carries two warrants to purchase two additional common shares in the next issue of shares, at a discount of 25% from the offering price. **Price**—$4 per share. **Business**—The prospecting and exploration for phosphate mineral resources in Israel. **Proceeds**—For general business purposes. **Office** — 82 Beaver Street, New York City. **Underwriter**—Seminole Securities Co., Inc., Pittsburgh, Pa., and New York City.

★ American Electronic Laboratories, Inc.
May 26, 1961 filed 10,632 shares of class A common stock to be offered for subscription by stockholders at the rate of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Business**—The company is engaged in research and development in the field of electronic communication equipment. **Proceeds**—For construction, new equipment, and other corporate purposes. **Office**—121 North Seventh Street, Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia, Pa.

American Facsimile Corp.
April 28, 1961 (letter of notification) 40,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Business**—The manufacture of facsimile communication equipment. **Proceeds**—For equipment; sales promotion and advertising; research and development, and working capital. **Office**—160 Coit Street, Irvington, N. J. **Underwriter**—Shell Associates, Inc., New York, N. Y.

American Finance Co., Inc.
April 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1971; 75,000 shares of common stock, and 25,000 common stock purchase warrants to be offered for public sale in units consisting of one $200 debenture, 30 common shares and 10 warrants. **Price**—$500 per unit. **Business**—The company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and capital funds. **Office** — 1472 Broadway, New York City. **Underwriter**—Lomasney, Loving & Co., New York City. **Offering**—Expected in late June.

American Mortgage Investment Corp.
April 29, 1960 filed $1,800,000 4% 20-yr. collateral trust bonds and 1,566,000 shares of class A non-voting common stock. **It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. Price—$1,800 per unit. Proceeds—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. Office — 210 Center St., Little Rock, Ark. Underwriter** — Amico, Inc. **Offering** — Expected in late July.

American Photocopy Equipment Co. (6/12-16)
May 16, 1961 filed 435,000 shares of common stock, of which 50,000 shares will be offered for the account of the company and 385,000 for certain selling stockholders. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of desk-top photocopy machines, paper and supplies, and binding equipment. **Proceeds**—The company will use its share of the proceeds for general corporate purposes. **Office**—2100 West Dempster St., Evanston, Ill. **Underwriter** — Lehman Brothers, New York City (managing).

NYSE Booklet On Double Tax

The New York Stock Exchange has spelled out in question and answer form the major points in its stand against the double taxation of dividend income.

In a new booklet — "Double, Double, Tax and Trouble"— the Exchange poses and answers a series of questions, such as:

Just how is dividend income taxed twice? Are any other types of personal income subject to double Federal taxation? Do the $50 exclusion and 4% tax credit on dividend income benefit mostly wealthy shareowners?

The answers — illustrated with sketches of harassed shareowners and badly chewed-up dividend checks—point out, for instance:

That double taxation comes about through levies, first, on corporate earnings, up to 52%, and then on dividends paid to stockholders from remaining earnings.

That dividends are the only form of income subject to two Federal income taxes.

That in the latest year for which tax figures are available—1958 — the exclusion and credit provided at least partial relief for some 9.5 million shareowners in middle and lower income brackets, or about three-quarters of all shareowners at the time; the $50 exclusion alone gave complete relief to some three million shareowners, most of them of modest means.

(Income and other characteristics of shareowners were measured in early 1959, when an Exchange Census counted 12.5 million shareowners. The total is now estimated to have reached 15 million.)

Exchange President Keith Funston has urged defeat of the Administration's proposals to do away with the exclusion and credit. He has recommended, instead, increases to $100 for the exclusion and 10% the credit, as steps toward making the Federal tax structure more equitable, and as a means of encouraging capital formation and economic growth.

Other questions dealt with in "Double, Double, Tax and Trouble" include:

What reason did Congress have for singling out dividend income for double taxation? Apparently this tax method survives as a "legislative accident" from an unsuccessful 1936 tax experiment. Did Congress attempt to correct the situation? Yes, in 1954, by passing the present exclusion and credit. What's happened to government revenues since this relief was granted? Federal tax revenues from dividends have risen from $1.5 million in 1953 to $2.2 million in 1960.

Copies of the new booklet may be obtained through member firms of the Exchange or by writing to Department DD, New York Stock Exchange, Box 1070, New York 1, N. Y.

American Telephone & Telegraph Co. (6/6)
May 12, 1961 filed $250,000,000 of debentures due June 1, 1998. **Proceeds**—To refund a like amount of 5⅜% debentures due Nov. 1, 1986 and for other corporate purposes. **Office**—195 Broadway, New York City. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Bids**—To be received on June 6 at 11:30 a.m. (DST) in Room 2315, 195 Broadway, New York City.

Amity Corp. (6/26-30)
Jan. 17, 1961 filed 88,739 shares of common stock (par $1). Price—$3 per share. Business—Land development, including the building of an air strip, a marina, and a housing cooperative. This is the issuer's first public financing. Proceeds—For general corporate purposes, including $170,000 for construction and $12,000 for debt reduction. Office—Equitable Building, Baltimore, Md. Underwriter—Karen Securities Corp., New York City.

● Antilles Electronics Corp.
May 8, 1961 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Address**—San Lorenzo, Puerto Rico. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

Apache Corp.
March 31, 1961 filed 300 units in the Apache Gas and Oil Program 1962. **Price**—$15,000 per unit. **Business**—The acquisition, holding, testing, developing and operating of gas and oil leaseholds. **Proceeds**—For general corporate purposes. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriter** — The company and its subsidiary, APA, Inc., will act as underwriters for the Program.

Apache Realty Corp. (7/10-14)
March 31, 1961 filed 1,000 units in the First Apache Realty Program. **Price**—$5,000 per unit. **Business**—The Program plans to engage in the real estate business, with emphasis on the acquisition, development and operation of shopping centers, office buildings and industrial properties. **Proceeds** — For investment. **Office** — 523 Marquette Ave., Minneapolis, Minn. **Underwriter**—Blunt Ellis & Simmons, Chicago (managing).

Architectural Plastics Corp.
April 20, 1961 (letter of notification) 103,191 shares of common stock (par $1) of which 26,326 shares are to be offered by the company and 76,865 shares by the underwriter. **Price**—$1.25 per share. **Proceeds**—For working capital. **Office**—1355 River Road, Eugene, Ore. **Underwriter**—Zilka, Smither & Co., Inc., Portland, Ore.

● Arcs Industries, Inc.
May 19, 1961 filed $1,630,000 of 6% convertible subordinated debentures due 1971, to be offered for subscription by common stockholders on the basis of $500 of debentures for each 100 shares held. **Price** — At par. **Business**—The manufacture of electronic, electrical and electro-mechanical devices for use in the missile and computer fields. **Proceeds**—To repay loans, purchase a building, and for working capital. **Office** — 755 Park Avenue, Huntington Station, L. I., N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing).

Arizona Color Film Processing Laboratories, Inc.
March 23, 1961 filed 2,100,500 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each share held. **Price** —22 cents per share. **Business**—The processing of black and white and color film. **Proceeds**—To repay loans and for working capital. **Office**—2 North 30th Street, Phoenix, Ariz. **Underwriter**—None.

Arizona Public Service Co.
April 21, 1961 filed 488,986 shares of common stock (par $2.50), being offered for subscription by common stockholders on the basis of one new share for each 15 shares held of record on May 23, with rights to expire June 13. **Price**—$32.50 per share. **Proceeds**—For expansion. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters** — First Boston Corp., and Blyth & Co., Inc. (managing).

Arkansas Valley Industries, Inc.
May 12, 1961 filed $1,500,000 of convertible subordinated sinking fund debentures due 1976. **Price**—100% of principal amount. **Business**—The production and sale of chicken feed, hatching chicks and poultry. **Proceeds** —For new facilities, the improvement of marketing improvements, and for working capital. **Office**—Dardenelle, Ark. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo. (managing).

Arrow Electronics, Inc. (6/15)
March 30, 1961 filed 165,000 shares of common stock (par $1). **Price**—$5 per share. **Business**—The distribution of electronic equipment including high fidelity, radio and television components. **Proceeds**—To repay loans, expand facilities and for working capital. **Office** — 525 Jericho Turnpike, Mineola, L. I., N. Y. **Underwriter**—Arnold Malkan & Co., Inc., New York City.

Atlantic Fund for Investment in U. S. Government Securities, Inc.
July 22, 1960, filed 2,000,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

Atohm Electronics
April 13, 1961 (letter of notification) 50,000 shares of common stock (par 25 cents). **Price**—$6 per share. **Proceeds**—To repay debt, purchase equipment and inventory, and for working capital. **Office**—7648 San Fernando Rd., Sun Valley, Calif. **Underwriter**—Francis J. Mitchell & Co., Inc., Newport Beach, Calif.

Audiographic Inc. (6/5-9)
Feb. 27, 1961 filed 150,000 shares of common stock. **Price** —$4 per share. **Business**—The manufacture and sale of fire and burglar warning systems. **Proceeds**—To establish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office**—Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

★ Automated Merchandising Capital Corp.
May 24, 1961 filed 400,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—A closed-end non-diversified management investment company formed to provide financial assistance to concerns active in the vending industry. **Proceeds** — For investment. **Office**—10 East 40th St., New York City. **Underwriter** —Blair & Co., Inc., New York City (managing).

Automated Procedures Corp. (6/26-30)
April 7, 1961 filed 110,000 shares of class A stock (par 5 cents). **Price—$3 per share. Business—The company offers customized data processing service which involves the breaking up of complex accounting operations into simple tasks performable by its machines. Proceeds—To purchase additional equipment. Office — 71 West 23rd Street, New York City. Underwriter—Jay W. Kaufmann & Co., New York City.**

★ Automatic Canteen Co. of America (6/30)
May 26, 1961 filed $20,800,000 of convertible subordinated debentures due July 1, 1981 to be offered for subscription by common stockholders on the basis of $100 of debentures for each 32 shares held of record about June 30. **Price**—To be supplied by amendment. **Business**—The development, manufacture, sale and leasing of vending machines. **Proceeds**—For the repayment of debt, the construction of a factory addition at Whippany, N. J., and for other corporate purposes. **Office**—Merchandise Mart, Chicago, Ill. **Underwriter**—Glore, Forgan & Co., New York City (managing).

● Automation Development, Inc. (6/5-9)
Jan. 27, 1961 (letter of notification) 40,000 shares of common stock (par 5 cents). Price—$3.75 per share. Proceeds—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—First Philadelphia Corp., New York, N. Y., and United Planning Corp., Newark, N. J.

Automotive Vacuum Control Corp.
March 30, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds** —For advertising, new products and working capital. **Office**—1007 East Second Street, Wichita, Kan. **Underwriter**—Donald J. Hinkley & Co., Inc., Denver, Colo.

★ BBM Photocopy Manufacturing Corp.
May 26, 1961 filed 50,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The assembly and sale of accessory equipment for photocopy machines. **Proceeds**—For acquisition of the Bohn Division. **Office**—42 W. 15th St., New York City. **Underwriter**—Shields & Co., New York City (managing).

★ Baltimore Gas & Electric Co. (6/14)
May 26, 1961 filed $20,000,000 of sinking fund debentures due 1986. **Proceeds**—For the repayment of bank loans and for construction. **Office** — Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., and First Boston Corp. (jointly); Harriman Ripley & Co., Inc. and Alex. Brown & Sons (jointly). **Bids**—To be received on June 14, 1961.

Bel-Aire Products, Inc.
April 14, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds** —For repayment of a loan, new equipment, lease of a plant, and working capital. **Office** — 25970 W. 8 mile Road, Southfield, Mich. **Underwriter** — International Equities Co., Miami, Fla.

Berlant Automonitor Corp.
May 8, 1961 (letter of notification) 90,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—To repay a loan, purchase equipment; for plant expansion, and working capital. **Office** — 8525 Steller Dr., Culver City, Calif. **Underwriter**—D. E. Liederman & Co., Inc., 80 Pine St., New York, N. Y.

Beryllium Manufacturing Corp. (6/15)
Feb. 27, 1961 filed 105,000 shares of common stock. Price —$4.50 per share. Business — The fabrication of pure beryllium components and other materials. Proceeds— For expansion and inventory, with the balance for working capital. Office—253 W. Merrick Rd., Valley Stream, L. I., N. Y. Underwriter—Eldes Securities Corp., New York City.

Bid D Chemical Co.
May 17, 1961 (letter of notification) 60,000 shares of class A common stock (par $1). **Price** — $5 per share. **Office**—1708 W. Main St., Oklahoma City, Okla. **Underwriter**—Donald J. Hinkley & Co., Inc., Denver, Colo.

Big Boy Properties, Inc.
March 20, 1961 filed 100,000 shares of common stock **Price**—$10 per share. **Business**—The company plans to operate a chain of "Big Boy" restaurants in California. **Proceeds** — For the purchase of restaurants and other properties. **Office**—1001 East Colorado Street, Glendale, Calif. **Underwriter**—None.

Bloomfield Industries, Inc.
May 1, 1961 filed 140,000 shares of common stock, of which 40,000 shares are to be offered for public sale by the company and 100,000 outstanding shares by the present holders thereof. **Price** — To be supplied by

Continued on page 34

NEW ISSUE CALENDAR

June 1 (Thursday)

Columbia Gas System, Inc.____________**Debentures**
(Bids 11 a.m. DST) $30,000,000

June 5 (Monday)

Allison Business Services, Inc.____________**Capital**
(Hancock Securities Corp.) $300,000
America-Israel Phosphate Co.__________**Common**
(Seminole Securities Co.) $500,000
Audiographic Inc. ____________________**Common**
(First Broad Street Corp.) $600,000
Automation Development, Inc.___________**Common**
(First Philadelphia Corp. and United Planning Corp.) $150,000
Capital for Technical Industries, Inc.____**Common**
(Dempsey-Tegeler & Co.) $5,000,000
Chalco Engineering Corp._______________**Common**
(First Broad Street Corp.) $600,000
Chemonics Corp.______________________**Common**
(Grant, Fontaine & Co.; Evans MacCormack & Co.; Stone & Youngberg and Sellgren, Miller & Co.) $300,000
Church Builders, Inc.__________________**Common**
(Associates Management, Inc.) $275,000
Clark Equipment Credit Corp.__________**Debentures**
(Lehman Brothers and Blyth & Co., Inc.) $20,000,000
De Soto Chemical Coatings, Inc.__________**Common**
(Goldman, Sachs & Co. and Lehman Bros.) 1,000,000 shares
Dixon Chemical Industries, Inc._______**Debentures**
(Offering to stockholders—underwritten by P. W. Brooks & Co., Inc.) $1,500,000
Dixon Chemical & Research, Inc.______**Debentures**
(P. W. Brooks & Co., Inc.) $2,900,000
Dolomite Glass Fibers, Inc._____________**Common**
(No underwriting) $1,000,000
Dolomite Glass Fibers, Inc.______________ **Class A**
(No underwriting) $200,000
Dolomite Glass Fibers, Inc.____________**Preferred**
(No underwriting) $2,000,000
Electronic Associates, Inc.______________**Capital**
(W. C. Langley & Co.) 75,000 shares
Fiat Metal Manufacturing Co., Inc.______**Common**
(Dempsey-Tegeler & Co.) 220,462 shares
Futterman Corp.______________________**Class A**
(Van Alstyne, Noel & Co.) 1,000,000 shares
Gem International, Inc._________________**Common**
(Bosworth, Sullivan & Co., Inc. and Scherck, Richter Co.) 150,000 shares
Hallicrafters Co.______________________ **Capital**
(Paine, Webber, Jackson & Curtis) 300,000 shares
Harwyn Publishing Corp.________________**Common**
(N. A. Hart & Co.) $412,500
Howe Plastics & Chemical Companies, Inc.__**Com.**
(J. I. Magaril Co.) 40,000 shares
Metropolitan Securities, Inc.____________**Common**
(Metropolitan Brokers Inc.) $300,000
National Bagasse Products Corp.___________**Units**
(S. D. Fuller & Co. and Howard, Weil, Labouisse, Friedrichs & Co.) $2,654,370
National Mercantile Corp._________________**Units**
(A. T. Brod & Co.) 100,000 units
Panacolor, Inc. _______________________**Common**
(Federman, Stonehill & Co.) $800,000
Pennsylvania Electric Co.____________**Debentures**
(Bids noon DST) $12,000,000
Renaire Foods, Inc.____________________**Common**
(P. W. Brooks & Co., Inc.) $750,000
Renaire Foods, Inc.__________________**Debentures**
(P. W. Brooks & Co., Inc.) $600,000
Ruth Outdoor Advertising Co., Inc.________**Class A**
(Lewis & Stoehr) $240,000
St. Louis Capital, Inc.__________________**Common**
(Hornblower & Weeks and I. M. Simon & Co.) $7,500,000
Southland Life Insurance Co.____________**Common**
(Offering to stockholders—underwritten by Equitable Securities Corp.) 80,000 shares
Tassette, Inc.__________________________**Class A**
(Amos Treat & Co., Inc.; Bruno Lenchner, Inc. and Karen Securities Corp.) $2,400,000
Union Tank Car Co.__________________**Debentures**
(Smith, Barney & Co. Inc. and Blunt Ellis & Simmons) $40,000,000

June 6 (Tuesday)

American Telephone & Telegraph Co.______**Bonds**
(Bids 11:30 DST) $250,000,000
Denver & Rio Grande Western RR.
Equip. Trust Ctfs.
(Bids noon MT) $1,230,000
Virginia Chemicals & Smelting Co.______**Common**
(White, Weld & Co.) 135,000 shares

June 7 (Wednesday)

Community Public Service Co.______________**Bonds**
(Bids 11 a.m. DST) $5,000,000
Lorillard (P.) & Co._________________**Debentures**
(Lehman Brothers and Smith, Barney & Co.) $40,000,000
Public Service Electric & Gas Co.________**Common**
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 900,000 shares
Sony Corp. ___________________________**Common**
(Smith, Barney & Co. and The Nomura Securities Co. Ltd.) 2,000,000 shares

June 8 (Thursday)

Brooklyn Union Gas Co.___________________**Bonds**
(Bids to be received) $20,000,000

June 9 (Friday)

Moderncraft Towel Dispenser Co., Inc.___**Common**
(Vickers, Christy & Co. Inc.) $320,000
U. S. Mfg. & Galvanizing Corp.__________**Common**
(Armstrong & Co., Inc.) $300,000
Williamhouse, Inc. _____________________**Common**
(Robert L. Ferman & Co. Inc.) $636,000

June 12 (Monday)

A-Drive Auto Leasing System, Inc.________**Class A**
(Hill, Darlington & Grimm) $1,000,000
American Photocopy Equipment Co.______**Common**
(Lehman Brothers) 435,000 shares
City Products Corp.__________________**Debentures**
(Lehman Brothers and White, Weld & Co.) $15,000,000
Consumers Automatic Vending, Inc.______**Common**
(Diran, Norman & Co. and V. S. Wickett & Co. Inc.) $625,000
Curley Co., Inc.______________________**Common**
(Carter, Berlind, Potoma & Weill) 50,000 shares

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Eastern Lime Corp.____Common
(Stroud & Co.) $300,000

Equity Capital Co.____Common
(Paine, Webber, Jackson & Curtis) 100,000 shares

Faradyne Electronics Corp.____Debentures
(S. D. Fuller Co.) $2,000,000

Gimbel Brothers, Inc.____Debentures
(Lehman Brothers and Goldman, Sachs & Co.) $25,000,000

Girard Industries Corp.____Common
(Edwards & Hanly; Brand, Grumet & Seigel; Kesselmann & Co. Inc. and Casper Rogers & Co. Inc.) $500,000

Income Properties, Inc.____Class A
(Eisele & King, Lebaire, Stout & Co.) $1,462,500

Marine & Electronics Manufacturing Inc.____Com.
(Lecluse & Co.) $300,000

Missouri Edison Co.____Bonds
(Bids 11 a.m. DST) $2,000,000

Motor Travel Services, Inc.____Common
(Bratter & Co. Inc.) $293,000

Permian Corp.____Common
(Lehman Brothers and Shearson, Hammill & Co.) 285,000 shares

Ram Electronics, Inc.____Common
(General Securities Co. Inc.) $300,000

Real Estate Investment Trust of America____Ben.Int.
(Paine, Webber, Jackson & Curtis; Kidder, Peabody & Co. and Lee Higginson Corp.) 500,000 shares

Search Investments Corp.____Common
(No underwriting) $1,000,000

Templeton, Damroth Corp.____Debentures
(Hecker & Co.) $445,000

Thor Power Tool Co.____Debentures
(Hornblower & Weeks) $4,000,000

June 13 (Tuesday)

Pacific Gas & Electric Co.____Common
(Offering to stockholders—underwritten by Blyth & Co. Inc). 896,470 shares

Triangle Instrument____Common
(Armstrong & Co., Inc.) $300,000

Virginia Electric & Power Co.____Bonds
(Bids 11 a.m. DST) $30,000,000

June 14 (Wednesday)

Baltimore Gas & Electric Co.____Debentures
(Bids to be received) $20,000,000

Michigan Wisconsin Pipe Line Co.____Bonds
(Bids 11 a.m. DST) $30,000,000

Toledo Plaza Limited Partnership____Units
(Hodgdon & Co., Inc.) $522,500

June 15 (Thursday)

Accesso Corp.____Units
(Ralph B. Leonard & Sons, Inc.) $600,000

Arrow Electronics, Inc.____Common
(Arnold Malkan & Co., Inc.) $825,000

Beryllium Manufacturing Corp.____Common
(Eldes Securities Corp.) $472,500

Chroma-Glo, Inc.____Common
(Jamieson & Co.) $297,000

De-Flectronics, Inc.____Common
(Theodore Arrin & Co.) $112,000

Fireco Sales Ltd.____Common
(McDonnell & Co.) 120,000 shares

G-W. Ameritronics, Inc.____Units
(Fraser & Co., Inc.) $320,000

Golden Triangle Industries, Inc.____Common
(Robert M. Harris & Co. Inc.) $340,000

Industrial Control Products, Inc.____Common
(Edward Hindley & Co.) $495,000

Ivest Fund, Inc.____Common
(Ivest, Inc.) 150,000 shares

Lytton Financial Corp.____Capital
(William R. Staats & Co. and Shearson, Hammill & Co.) 300,000 shares

Marrud, Inc.____Common
(McDonnell & Co.) 194,750 shares

Mortgage Guaranty Insurance Co.____Common
(Bache & Co.) 155,000 shares

Photronics Corp.____Common
(Offering to stockholders—underwritten by L. D. Sherman & Co.) 150,000 shares

Southern Electric Generating Co.____Bonds
(Bids 11 a.m. DST) $20,000,000

Universal Manufacturing Co.____Common
(Naftalin & Co., Inc.) $270,000

June 16 (Friday)

Cable Carriers, Inc.____Capital
(No underwriting) 196,109 shares

Chock Full O' Nuts Corp.____Debentures
(F. Eberstadt & Co.) $7,500,000

Income Planning Corp.____Units
(Espy & Wanderer, Inc.) $200,000

Mohawk Insurance Co.____Common
(R. F. Dowd & Co., Inc.) $900,000

Schneider (Walter J.) Corp.____Common
(Brand, Grumet & Seigel Inc. and Kesselman & Co. Inc.) $600,000

Stratton Corp.____Debentures
(Cooley & Co.) $650,000

Terry Industries, Inc.____Common
(Greenfield & Co. is underwriting the company's stock) 1,728,337 shares

June 19 (Monday)

Broadcast International, Inc.____Common
(Harry Odzer Co.) $300,000

Diotron, Inc.____Common
(Royer Securities Co.) $300,000

Elgeet Optical Co., Inc.____Common
(Troster, Singer & Co.) $1,130,000

Fox-Stanley Photo Products, Inc.____Common
(Equitable Securities Corp.) 387,500 shares

Micro Electronics Corp.____Common
(R. Baruch & Co.) $400,000

Western Growth Corp.____Units
(Reese, Scheftel & Co. Inc.) $1,500,000

June 20 (Tuesday)

Consolidated Edison Co. of New York, Inc.____Bonds
(Bids 11 a.m. DST) $50,000,000

June 21 (Wednesday)

Development Corp. of America____Common
(Amos Treat & Co. Inc.) $600,000

Hunt Foods & Industries Inc.____Debentures
(Offering to stockholders—underwritten by Goldman, Sachs & Co.) $38,799,500

Union Oil Co. of California____Debentures
(Dillon, Read & Co. Inc.) $60,000,000 (due June 1, 1991)

Union Oil Co. of California____Debentures
(Dillon, Read & Co. Inc.) $60,000,000 (due June 1, 1986)

June 22 (Thursday)

Northern Illinois Gas Co.____Common
(Offering to stockholders—First Boston Corp. and Glore, Forgan & Co.) 450,037 shares

June 26 (Monday)

Amity Corp.____Common
(Karen Securities Corp.) $226,217

Automated Procedures Corp.____Class A
(Jay W. Kaufmann & Co.) $330,000

CompuDyne Corp.____Common
(Hayden, Stone & Co.) 168,000 shares

Fidelity Bankers Life Insurance Corp.____Common
(Lee Higginson Corp. and Shearson, Hammill & Co.) 547,128 shares

Gordon Jewelry Corp.____Class A
(Paine, Webber, Jackson & Curtis) 140,000 shares

Recreation Enterprises, Inc.____Units
(I. M. Simon & Co.) $550,000

June 27 (Tuesday)

Massachusetts Electric Co.____Bonds
(Bids to be received) $17,500,000

June 28 (Wednesday)

Alabama Great Southern RR.____Bonds
(Bids to be received) $5,500,000

Special Metals, Inc.____Units
(White, Weld & Co. Inc. and Lehman Brothers) 53,125 units

Tennessee Valley Authority____Bonds
(Bids to be received) $50,000,000

June 29 (Thursday)

Capital Properties, Inc.____Units
(Hodgdon & Co. Inc.) $600,000

Empire Life Insurance Co. of America____Capital
(Consolidated Securities Inc.) $330,000

June 30 (Friday)

Automatic Canteen Co. of America____Debentures
(Offering to stockholders—underwritten by Glore, Forgan & Co.) $25,000,000

International Silver Co.____Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $7,822,000

Taffet Electronics, Inc.____Common
(Fialkov & Co. Inc.) $396,000

July 3 (Monday)

Ihnen (Edward H.) & Son, Inc.____Common
(Amos Treat & Co. Inc.) $375,000

Investors Preferred Life Insurance Co.____Common
(Life Securities, Inc.) $840,000

Seaboard Electronic Corp.____Common
(Amos Treat & Co. Inc.) $550,000

Survivors' Benefit Insurance Co.____Common
(Offering to stockholders—no underwriting) $1,035,000

Vic Tanny Enterprises, Inc.____Common
(S. D. Fuller & Co.) 320,000 shares

July 5 (Wednesday)

Canandaigua Enterprises Corp.____Units
(S. D. Fuller & Co.) 8,000 units

July 10 (Monday)

Apache Realty Corp.____Units
(Blunt Ellis & Simmons) $5,000,000

Superstition Mountain Enterprises, Inc.____Common
(No underwriting) $5,000,000

Vinco Corp.____Debentures
(S. D. Fuller & Co.) $2,000,000

World Color Press, Inc.____Common
(Scherck, Richter Co. and Dempsey-Tegeler & Co.) 218,000 shares

July 12 (Wednesday)

California Electric Power Co.____Bonds
(Bids 9 a.m. PST) $8,000,000

August 8 (Tuesday)

Northern States Power Co.____Bonds
(Bids to be received) $20,000,000

August 15 (Tuesday)

Consumers Power Co.____Bonds
(Bids to be received) $40,000,000

September 27 (Wednesday)

Rochester Gas & Electric Corp.____Bonds
(Bids to be received) $12,000,000

September 28 (Thursday)

Mississippi Power Co.____Bonds
(Bids to be received) $5,000,000

Mississippi Power Co.____Preferred
(Bids to be received) $5,000,000

October 18 (Wednesday)

Georgia Power Co.____Bonds
(Bids to be received) $15,500,000

Georgia Power Co.____Preferred
(Bids to be received) $8,000,000

December 5 (Tuesday)

Virginia Electric & Power Co.____Bonds
(Bids to be received) $15,000,000

December 7 (Thursday)

Gulf Power Co.____Bonds
(Bids to be received) $5,000,000

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amendment. **Business**—The manufacture and sale of food service equipment (for restaurants, hotels, etc.,) and houseware and hospital products. **Proceeds**—For product expansion, working capital and other corporate purposes. **Office**—4546 West 47th St., Chicago, Ill. **Underwriters** — Westheimer & Co., Cincinnati and Divine & Fishman, Inc., Chicago and New York City. **Offering**—Expected in late June.

Blue Haven Industries, Inc.
March 30, 1961 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To increase inventory, reduce indebtedness and for working capital. **Office**—11933 Vose St., North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co.,

Bolt Beranek & Newman, Inc.
April 27, 1961 filed 160,000 shares of common stock, of which 90,140 shares are to be offered for public sale by the company and 69,860 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is a group of scientists and engineers engaged in research, consultation and product development in the fields of architectural acoustics, applied physics, instrumentation, psychoacoustics, bio-medical technology, man-made machines and information systems. **Proceeds** — For the repayment of debt, and working capital. **Office**—50 Moulton Street, Cambridge, Mass. **Underwriter**—Hemphill, Noyes & Co., New York City (managing). **Offering**—Expected in late June.

Bonded Homes, Inc.
May 15, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Office**—2328 N. W. 7th St., Miami, Fla. **Underwriter**—Givens & Co., Inc., 1202 duPont Bldg., Miami 32, Fla.

Bookshelf of America, Inc.
April 17, 1961 (letter of notification) 74,950 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—The mail order sale of religious books. **Proceeds**—For moving expenses, new equipment and working capital and general corporate purposes. **Office**—889 Broadway, New York, N. Y. **Underwriter**—D. H. Blair & Co., New York, N. Y.

★ Bowl-Tronics, Inc.
May 19, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Office**—1319 F Street, N. W., Washington 4, D. C. **Underwriters**—Sterling, Grace & Co., New York, N. Y.; Beil & Hough, Inc., St. Petersburg, Fla.

Bramalea Consolidated Developments, Ltd.
May 19, 1961 filed $6,000,000 (U. S.) of 6½% sinking fund debentures due July 1, 1973, 600,000 shares of common stock and 240,000 12-year warrants (exercisable at $10 per share) to be offered for public sale in units, each consisting of $50 of debentures, five common shares and two warrants. **Price** — $100 per unit. **Business** — The company is building a planned industrial-commercial-residential community at Chinquacousy, Ont., near Toronto. **Proceeds**—To repay debt and for working capital. **Office**—P. O. Box 129, Brampton, Ont., Canada. **Underwriter**—Shields & Co., New York City (managing).

● Broadcast International, Inc. (6/19-23)
Feb. 28, 1961 (letter of notification) 60,000 shares of common stock (par five cents). **Price**—$5 per share. **Business**—Producers of radio and television programs. **Proceeds**—For general corporate purposes. **Office**—3 W. 57th St., New York City. **Underwriter**—Harry Odzer Co., New York, N. Y.

Brooklyn Union Gas Co. (6/8)
May 1, 1961 filed $20,000,000 of first mortgage bonds due 1986. **Proceeds**—For the repayment of bank loans and other corporate purposes. **Office**—176 Remsen Street, Brooklyn, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Harriman Ripley & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co.; Blyth & Co., Inc., and F. S. Moseley & Co. (jointly). **Bids**—To be received on June 8, 1961.

★ Builtwell Homes, Inc.
May 25, 1961 filed $1,000,000 of convertible subordinated debentures due 1981 and 300,000 shares of common stock, to be offered for sale in 100,000 units, each consisting of $10 of debentures and three common shares. **Price**—To be supplied by amendment. **Business**—The construction financing and sale of shell homes. **Proceeds**—For the repayment of debt, the opening of additional sales offices and the financing of home sales. **Office**—Adrian, Ga. **Underwriter**—The Robinson-Humphrey Co., Inc., Atlanta, Ga. (managing).

CMC Finance Group, Inc.
April 28, 1961 filed 150,000 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The company, through its 20 subsidiaries, is engaged in the consumer finance business in North Carolina, South Carolina and Georgia. **Proceeds** — For working capital. **Office**—1009 Wachovia Building, Charlotte, N. C. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

● Cable Carriers, Inc. (6/16)
March 23, 1961 filed 196,109 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company which began operations in 1954, is engaged in the research and development of special material handling systems for industrial and commercial use based on company-owned patents. **Proceeds**—For working capital. **Office**—Kirk Boulevard, Greenville, S. C. **Underwriter**—To be named.

★ Cador Production Corp.
May 26, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, which plans to change its name to Consolidated Production Corp., buys and manages fractional interests in producing oil and gas properties. **Proceeds**—For investment, and working capital. **Office**—14 North Robinson, Oklahoma City, Okla. **Underwriter** — Shearson, Hammill & Co., New York City (managing).

● Canandaigua Enterprises Corp. (7/5)
May 2, 1961 filed $4,000,000 of sinking fund debentures due 1976, 240,000 shares of class A stock, and warrants to purchase 120,000 shares of class A stock to be offered for public sale in units, each consisting of $500 of debentures, 30 class A shares, and 6-year warrants to purchase 15 class A shares at $5 per share. **Price**—To be supplied by amendment. **Business**—The company owns a majority stock interest in Finger Lakes Racing Association, Inc., which is erecting a thoroughbred race track at Canandaigua, New York. The company plans to engage in recreational and entertainment activities and may construct hotels, motels or restaurants adjacent to the race track. **Proceeds**—For construction, working capital and general corporate purposes. **Office**—29 Broadway, New York City. **Underwriter**—S. D. Fuller & Co., New York City (managing

● Capital For Technical Industries, Inc. (6/5-9)
April 10, 1961 filed 500,000 shares of common stock. **Price**—$10 per share. **Business**—A small business investment company. **Proceeds**—To repay a loan and to provide long term capital to small business concerns. **Office**—1281 Westwood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

● Capital Properties Inc. (6/29)
April 21, 1961 filed $600,000 of 9½% debentures due 1977 and 12,000 shares of common stock to be offered for public sale in units of $1,000 of debentures and 20 common shares. **Price**—$1,600 per unit. **Business**—The company plans to purchase and lease back three buildings to be erected by Tower's Marts, Inc., for use as retail discount department stores. **Proceeds**—For acquisition of the above properties. **Office**—36 Pearl St., Hartford, Conn. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Capital Southwest Corp.
May 8, 1961 filed 1,250,000 shares of common stock. **Price**—$11 per share. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—6517 Hillcrest Avenue, Dallas, Texas. **Underwriter**—Rotan, Mosle & Co., Houston, Texas (managing).

Chalco Engineering Corp. (6/5-9)
Jan. 30, 1961 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — First Broad Street Corp., New York City (managing).

Chemonics Corp. (6/5-9)
Nov. 14, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of printed circuits for the missile industries. **Proceeds** — For general corporate purposes and working capital. **Office**—990 S. Fairoaks Ave., Pasadena, Calif. **Underwriters**—Grant, Fontaine & Co., Oakland, Calif. (managing); Evans MacCormack & Co., Los Angeles, Calif.; Stone & Youngberg, San Francisco and Sellgren, Miller & Co., Oakland, Calif.

Chester Litho Inc.
May 12, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Business**—Commercial printing and art. **Proceeds**—For working capital. **Office**—Chester, N. Y. **Underwriter**—S. Schramm & Co., Inc., New York City (managing).

● Chock Full O' Nuts Corp. (6/16)
April 7, 1961 filed $7,500,000 of subordinated debentures, due May 1, 1961. **Price**—To be supplied by amendment. **Business**—The operation of a chain of restaurants in the New York City area, and the packaging and retail sale of coffee. **Proceeds**—For expansion. **Office**—425 Lexington Avenue, New York 17, N. Y. **Underwriter**—F. Eberstadt & Co., New York City (managing).

Chroma-Glo, Inc. (6/15)
March 2, 1961 (letter of notification) 90,000 shares of common stock (par 50 cents). **Price** — $3.30 per share. **Business** — The manufacture of pressure sensitive emblems. **Proceeds**—For payment of obligations; purchase of equipment; and for working capital. **Office**—525 Lake Ave., S., Duluth 2, Minn. **Underwriter**—Jamieson & Co. Minneapolis, Minn.

Church Builders, Inc. (6/5-9)
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

Cinema Syndicate, Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—The production of motion pictures. **Proceeds**—For the repayment of loans; purchase of equipment; production of four motion pictures, and working capital. **Office**—619 W. 54th St., New York, N. Y. **Underwriter**—Fontana Securities, Inc., New York, N. Y.

City Products Corp. (6/12-16)
April 27, 1961 filed $15,000,000 of convertible subordinated debentures due June 1, 1982. **Business**—The company and its subsidiaries distribute general merchandise, and operate refrigerator car icing and vacuum cooling plants, cold storage warehouses, dairies, breweries and coal and oil distribution facilities. **Proceeds**—To retire outstanding notes and for working capital. **Underwriters**—Lehman Brothers and White, Weld & Co., New York City (managing).

● Clark Equipment Credit Corp. (6/5)
April 21, 1961 filed $20,000,000 of debentures, series A, due 1981. **Price**—To be supplied by amendment. **Business**—The financing in the U. S. and Canada of retail time sales of products manufactured by Clark Equipment Co., parent. **Proceeds**—For the repayment of debt. **Office**—324 East Dewey Ave., Buchanan, Mich. **Underwriters**—Lehman Brothers and Blyth & Co., Inc., New York City (managing).

Clarkson Laboratories, Inc.
April 27, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business**—The company plans to engage in the development, manufacture, packaging and sale of industrial chemicals and latex, resins and plastic compounds for industrial and commercial use. **Proceeds**—For plant additions, repayment of debt, and working capital. **Office**—1450 Ferry Avenue, Camden, N. J. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York City.

Color Reproductions, Inc.
May 10, 1961 (letter of notification) 950 units of $95,000 of 6% subordinated debentures, due June 30, 1971, and 47,500 shares of common stock (par one cent) to be offered in units, each unit consisting of $100 of debentures and 50 shares of common stock. **Price**—$287.50 per unit. **Business**—The company makes color photographs and reproductions for churches, institutions, seminaries and schools. **Proceeds**—For equipment; sales promotion; repayment of loans; construction of buildings and improvements of facilities. **Office**—202 E. 44th St., New York, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

Color-Tone Originals, Inc.
May 1, 1961 (letter of notification) 37,500 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** — Manufacturers of greeting cards. **Proceeds** — For advertising; inventory; machinery and working capital. **Office**—112 Pearl St., Mt. Vernon, N. Y. **Underwriter**—D. Klapper Associates, Inc., New York, N. Y.

Colorplate Engraving Co.
April 25, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—Color photo-engraving. **Proceeds**—For repayment of loans; acquisition of equipment, and working capital. **Office**—311 W. 43rd Street, New York, N. Y. **Underwriter**—Mineo & Co., 99 Wall Street, New York, New York.

Columbia Gas System, Inc. (6/1)
April 21, 1961 filed $30,000,000 of debentures due June 1986. **Office**—120 E. 41st St., New York City. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). **Bids**—To be received at the company's office on June 1 at 11 a.m. (DST).

Community Public Service Co. (6/7)
April 26, 1961 filed $5,000,000 of first mortgage bonds, series F, due June 1, 1991. **Proceeds**—For the repayment of loans and for construction. **Office**—408 West Seventh Street, Fort Worth, Texas. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; First Southwest Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—To be received on June 7 at 11 a.m. (DST) on the 19th floor of 90 Broad Street, New York City. **Information Meeting**—Scheduled for June 5 at 3 p.m. (DST) on the 23rd Floor of One Chase Manhattan Plaza, New York City.

Components Specialties, Inc.
April 20, 1961 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Business**—The importation and sale of electronic subminiature components. **Proceeds** — For repayment of debt; advertising, inventory and working capital. **Office**—3 Foxhurst Road, Baldwin, L. I., N. Y. **Underwriter**—Fund Planning, Inc., New York, N. Y.

Comptometer Corp.
March 31, 1961 filed 160,401 shares of common stock to be offered for subscription by holders of outstanding common stock; 6½% subordinated convertible sinking fund debentures, series A, due 1970; and option agreements for the purchase of common shares. Warrants will be issued on the basis of one right for each common share held on the record date, one right for each share issuable upon conversion of a series A debenture, as if such debenture had been converted, and one right for each share issuable under the option agreements. The warrants will provide that one new share will be issuable for each eight rights tendered. **Price**—To be supplied by amendment. **Business**—The company's activities are organized on a divisional basis—Business Machines, Communications and Electronics, Business Forms, Burke Golf and Worthington Golf Ball Divisions. **Proceeds**—For the repayment of debt and for working capital. **Office**—5600 West Jarvis Ave., Chicago, Ill. **Underwriters** — To be named.

CompuDyne Corp. (6/26)
May 12, 1961 filed 168,000 shares of common stock, of which 120,000 are to be offered for public sale by the company and 48,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The furnishing of instruments and systems for missile sites, and the design, development, assembly and manufacture of electronic and other devices used in the automatic control of aeronautical and missile test facilities. **Proceeds**—For inventory expansion, research and development, the redemption of outstanding 6% debentures due Dec. 1, 1961, and working capital. **Office**—404 South Warminster Rd., Hatboro, Pa. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Computer Equipment Corp.
April 5, 1961 (letter of notification) 46,780 shares of common stock (no par) to be offered for subscription by stockholders on the basis of one new share for each 10 shares held. **Price**—$2.10 per share. **Proceeds**—For research and production, and general corporate purposes. **Office** — 11612 W. Olympic Blvd., Los Angeles, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles, Calif.

Consolidated Bowling Corp.
March 29, 1961 filed 738,000 shares of common stock and $900,000 of 6% convertible subordinated debentures, due in July, 1981. **Prices**—For the stock: $3.50 per share; for the debentures: 100% of principal amount. **Business**—Operates bowling centers and owns real estate. **Proceeds** — For expansion. **Office** — 880 Military Road, Niagara Falls, N. Y. **Underwriter**—None.

Consolidated Edison Co. of New York, Inc. (6/20)
May 9, 1961 filed $50,000,000 of 30-year first mortgage bonds. **Office**—4 Irving Place, New York City. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Bids**—To be received at the company's office on June 20 at 11 a.m. **Information Meeting**—Scheduled for June 13 at 10 a.m., on the 13th floor of 4 Irving Place, New York City.

● Consumers Automatic Vending, Inc. (6/12-16)
March 31, 1961 filed 125,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—The installation, maintenance and servicing of automatic vending machines, including complete in-plant automatic cafeterias, in the metropolitan New York area. **Proceeds**—For equipment, the reduction of debt and other corporate purposes. **Office** — 59-05 56th Street, Maspeth, N. Y. **Underwriters**—Diran, Norman & Co., and V. S. Wickett & Co., Inc., both of New York City.

Cortez Life Insurance Co.
Jan. 12, 1961 filed 500,000 shares of common stock. **Price**—$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

★ Cosnat Record Distributing Corp.
May 26, 1961 filed 150,000 shares of common stock, of which 105,556 shares are to be offered for public sale by the company and 44,444 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of phonograph records. **Proceeds**—For the repayment of debt, and working capital. **Underwriter**—Amos Treat & Co., New York City (managing). **Office**—315 West 47th Street, New York City.

Criterion Insurance Co.
March 27, 1961 filed 515,000 shares of common stock (par $2), being offered for subscription by common stockholders of Government Employees Life Insurance Co., and Government Employees Corp., on the basis of one new share for each 10 shares held of record March 30, and by stockholders of Government Employees Insurance Co., on the basis of one new share for each five shares held of record March 30, with rights to expire June 5. **Price** — $6 per share. **Business** — The company was organized on March 22. 1961 by the management of the three Government Employees Group companies and plans to engage in all kinds of fire and casualty insurance business. **Proceeds**—For general corporate purposes. **Office**—Government Employees Insurance Building, Washington, D. C. **Underwriter** — None. **Note**—This statement was effective May 8.

Crown Aluminum Industries Corp.
May 1, 1961 filed $2,000,000 of convertible subordinated debentures due 1976. **Price**—To be supplied by amendment. **Business** — The manufacture and distribution of enameled aluminum siding and aluminum accessories. **Proceeds**—For plant expansion, new equipment and the development of new products. **Office**—5820 Center Avenue, Pittsburgh, Pa. **Underwriters** — Adams & Peck; Allen & Co., and Andresen & Co., all of New York City.

● Curley Co., Inc. (6/12-16)
March 30, 1961 filed 50,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and packaging of household liquid detergents for distribution under private labels. **Proceeds**—For general corporate purposes. **Office**—Jefferson and Masters Sts., Camden, N. J. **Underwriter**—Carter, Berlind, Potoma & Weill, New York City (managing).

Custom Shell Homes, Inc.
May 8, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—To erect sample homes, repay a loan, and for expansion and working capital. **Office**—412 W. Saratoga St., Baltimore, Md. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

● Customline Control Panels, Inc.
Feb. 21, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Manufacturers of control panels for centralized control of chemical and industrial processes. **Pro-**

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ceeds—For a training program for additional engineering personnel; additional capital equipment; payment of a bank loan; opening of a Los Angeles sales and engineering office; research and development and working capital. **Office**—1379 E. Linden Avenue, Linden, N. J. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y. **Offering**—Imminent.

★ Dallas Airmotive, Inc.
May 26, 1961 filed 390,000 shares of common stock, of which 350,000 shares are to be offered for public sale by the company and 40,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The overhaul of aircraft engines for commercial and military customers. **Proceeds** — For realty acquisitions, the repayment of debt, and for expansion. **Office**—6114 Forest Park Road, Dallas, Texas. **Underwriter** — Eppler, Guerin & Turner, Inc., Dallas (managing).

Dalto Corp.
March 29, 1960 filed 431,217 shares of common stock to be offered for subscription by holders of such stock of record Oct. 7 at the rate of one-and-a-half new shares for each share then held. **Price**—$1.25 per share. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—Sterling, Grace & Co., 50 Broad St., New York City. **Offering**—Indefinitely postponed.

Data Processing, Inc.
April 12, 1961 (letter of notification) 75,000 shares of no par common stock. **Price**—$4 per share. **Business**—The research, design and development of advanced digital computer programs. **Proceeds**—To purchase or lease computer equipment. **Office**—1334 Main St., Waltham, Mass. **Underwriter** — First Weber Securities Corp., 79 Wall St., New York City.

Datatrol Corp.
April 26, 1961 filed 60,000 shares of common stock. **Price**— $4.25 per share. **Business**—The company acts as a consultant or advisor in matters pertaining to data processing problems and equipment. **Proceeds**—To develop data processing systems and for working capital. **Office**—8113-A Fenton Street, Silver Spring, Md. **Underwriter** — First Investment Planning Co., Washington, District of Columbia.

Davenport Water Co.
May 15, 1961 (letter of notification) 3,000 shares of 5½% cumulative preferred stock. **Price** — At par ($100 per share). **Office**—214 Perry St., Davenport, Iowa. **Underwriter**—Quail & Co., Inc., Davenport, Iowa.

De-Flectronics, Inc. (6/15)
April 13, 1961 (letter of notification) 112,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Business** — The manufacture of electronic components and assemblies. **Proceeds** — For the purchase of inventory; manufacturing facilities and working capital. **Office**—50 E. Third St., Mount Vernon, N. Y. **Underwriter**—Theodore Arrin & Co., New York, N. Y.

De Soto Chemical Coatings, Inc. (6/5)
May 4, 1961 filed 1,000,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof (Sears, Roebuck & Co.). **Price**—To be related to the current market price of the stock on the New York Stock Exchange at the time of the sale. **Business** — The manufacture and sale of paints, industrial coatings and wallpaper. **Proceeds**—For the selling stockholder. **Address**—1350 South Koster Ave., Chicago, Ill. **Underwriters** — Goldman, Sachs & Co., and Lehman Brothers, New York City.

Decitron Electronics Corp.
March 16, 1961 filed 50,000 shares of common stock (par one cent), of which 30,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price** — $2 per share. **Business** — The design, manufacture and sale of electronic equipment for the U. S. Government. **Proceeds** — For research and development and for working capital. **Office**—850 Shepherd Ave., Brooklyn, N. Y., **Underwriter**—M. L. Lee & Co., New York City.

Denver Real Estate Investment Fund
May 15, 1961 filed 600,000 shares in the Fund. **Price**—To be supplied by amendment. **Business**—The Fund will offer investors the opportunity to participate jointly in large and diversified real estate investments which offer promise of growth and increased values. **Proceeds**—For investment. **Office**—660 17th Street, Denver, Colo. **Underwriters** — Bosworth, Sullivan & Co., Inc., and Boettcher & Co., both of Denver, Colo. (managing).

Development Corp. of America (6/21)
March 30, 1961 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The development and construction of single-family residences and communities in Florida. **Proceeds**—For general corporate purposes. **Office** — 5707 Hollywood Boulevard, Hollywood, Fla. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Dextone Co., Inc.
May 10, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Office**—c/o Archibald G. Marshall, counsel, 129 Church St., New Haven, Conn. **Underwriter** — S. Schramm & Co., Inc., New York, N. Y.

Diamond Crystal Salt Co.
May 22, 1961 filed 300,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 916 South Riverside Drive, St. Clair, Mich. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Diotron, Inc. (6/19-23)
March 29, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For raw materials, production, testing and working capital. **Office** — 3650 Richmond St., Philadelphia, Pa. **Underwriter**—Royer Securities Co., Philadelphia, Pa.

Dixon Chemical Industries, Inc. (6/5-9)
March 31, 1961 filed $1,500,000 of 6% convertible subordinated income debentures due 1981 to be offered for subscription by holders of the company's common stock. **Price** — To be supplied by amendment. **Business** — The manufacture of sulfuric acid. **Proceeds**—For the construction of a new plant and for working capital. **Office**—1260 Broad Street, Bloomfield, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing).

Dixon Chemical & Research, Inc. (6/5-9)
March 31, 1961 filed $2,900,000 of 6% convertible sinking fund debentures, due 1978. **Price**—To be supplied by amendment. **Business**—The production of sulfuric acid, liquid sulfur dioxide, aluminum sulfate, chromic acid and corrosion-resistant coatings. **Proceeds** — For construction of a new plant, repayment of debt, and working capital. **Office**—1260 Broad Street, Bloomfield, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing).

Dollar Mutual Fund, Inc.
April 25, 1961 filed 100,000,000 shares of capital stock. **Price** — $1 per share. **Business** — A diversified mutual fund. **Proceeds** — For investment. **Office** — 736 Midland Bank Bldg., Minneapolis, Minn. **Underwriter**—Fund Distributors, Inc.

● Dolomite Glass Fibres, Inc. (6/5-9)
Dec. 27, 1960 filed 200,000 shares of 7% preferred stock (cumulative - convertible); 200,000 class A common shares (voting) and 1,000,000 common shares (non-voting). **Price**—$10 per share for the preferred and $1 per share for the class A and common shares. **Business**—The manufacture and sale of glass fibre for insulation and glass fibre threads, mats and rovings for use in the production of reinforced plastics. **Proceeds**—For working capital and the purchase of additional equipment. **Office**—1037 Jay St., Rochester, N. Y. **Underwriter** — None. **Offering**—Expected in early June.

Donnelley (R. R.) & Sons Co.
May 17, 1961 filed 270,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is the largest commercial printer in the U. S. **Proceeds**—To selling stockholders. **Office**—350 E. 22nd St., Chicago 16, Ill. **Underwriter**—Harriman Ripley & Co., New York City (managing).

Doughboy Industries, Inc.
April 12, 1961 filed 100,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of flour used for spaghetti, macaroni and noodles; the production of animal feeds, plastic toys and swimming pools, and the manufacture of machinery for heat sealing and labeling containers. **Proceeds** — For working capital and the repayment of loans. **Office**—New Richmond, Wis. **Underwriter**—Kalman & Co., Inc., St. Paul, Minn. (managing).

Dubow Chemical Corp.
April 10, 1961 (letter of notification) 80,000 shares of class A common stock (par one cent). **Price**—$2.25 per share. **Business**—The development and manufacture of chemical products. **Proceeds**—For general corporate purposes. **Office**—222 Newbridge Ave., East Meadow, L. I., N. Y. **Underwriters** — Planned Investing Corp., New York City and Fidelity Investors Service, East Meadow, L. I., N. Y.

★ Dumas Milner Corp.
May 24, 1961, filed $2,000,000 of 6% convertible subordinated debentures due 1971, and 400,000 outstanding shares of class A common stock to be offered for public sale by the present holders thereof. The securities will be sold in 200,000 units, each consisting of one $10 par debenture and two class A shares. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of products used in cleaning, sanitation maintenance and household laundering. **Proceeds**—For the repayment of debt and product expansion. **Office**—Jackson, Miss. **Underwriter**—Courts & Co., Atlanta, Ga. (managing).

Dynamic Measurements Co.
April 17, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For building, equipment, and working capital. **Address**—Jenkintown, Pa. **Underwriter**—Harrison & Co., Philadelphia, Pa.

Dynamic Vending Corp.
April 26, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—The purchase and sale of vending equipment and electrical appliances. **Proceeds**—For general corporate purposes and working capital. **Office** — 44 Beaver Street, New York 4, N. Y. **Underwriter**—A. D. Gilhart & Co., Inc., New York, N. Y.

Eastern Camera & Photo Corp.
Dec. 29, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Operating a chain of retail stores and concessions selling cameras, film and photographic supplies and equipment; also processes and prints black and white photographic film. **Proceeds**—To reduce indebtedness incurred by acquisitions, to pay notes due, and for general corporate purposes. **Office**—68 W. Columbia Street, Hempstead, N. Y. **Underwirter**—First Broad Street Corp., Inc., New York, N. Y. **Note**—This company formerly was named Eastern Camera Exchange, Inc. **Offering**—Imminent.

Eastern Lime Corp. (6/12-16)
March 31, 1961 filed $700,000 of subordinated debentures, due 1976. **Price**—At 100% of principal amount. **Business**—The operation of a quarry in Kutztown, Pa., and the production of limestone for cement companies. **Proceeds**—For new equipment and the repayment of debt. **Office**—Kutztown, Pa. **Underwriters**—Stroud & Co., Inc., Philadelphia and Warren W. York & Co., Inc., Allentown, Pa. (co-managers).

Eichler Homes, Inc.
May 16, 1961 filed $2,000,000 of convertible subordinated debentures due June 1, 1973. **Price**—To be supplied by amendment. **Business**—The erection of apartments and homes in So. California. **Proceeds**—For the purchase of additional land. **Office**—Palo Alto, Calif. **Underwriter**—J. S. Strauss & Co., San Francisco, Calif. (managing).

Electra International, Ltd.
May 5, 1961 filed 70,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The manufacture of products in the automotive ignition field for sale outside of the United States. **Proceeds** — For research, and development, and working capital. **Office**—222 Park Ave., South, New York City. **Underwriters**—Robert A. Martin Associates, Inc., and Ezra Kureen Co., both of New York City.

Electrarc, Inc.
April 21, 1961 filed 100,000 shares of common stock, **Price** — $5 per share. **Business** — The research and development of arc welding and wire shielding. **Proceeds**—For equipment, working capital and miscellaneous expenses. **Office**—505 Washington St., Lynn, Mass. **Underwriter**—P. de Rensis & Co., Inc., Boston, Mass. **Offering**—Expected in June.

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds** — To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

Electronic Aids, Inc.
March 29, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—Engaged in medical electronics and the production of electronic teaching devices. **Proceeds** — To purchase equipment and raw materials, and for working capital. **Office**—857 N. Eutaw St., Baltimore, Md. **Underwriter**—R. Topik & Co., Inc., 295 Madison Ave., New York, N. Y.

● Electronic Associates, Inc. (6/5-9)
March 30, 1961 filed 75,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Business**—The development, production and sale of analog computers and precision electronic laboratory equipment; and also computer engineering services at three centers in the United States and Europe. **Proceeds** — To repay loans and for working capital. **Office** — Long Branch, N. J. **Underwriter**—W. C. Langley & Co., New York City (managing).

Electronic Products Corp.
May 11, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$2 per share. **Office**—4642 Belair Rd., Baltimore, Md. **Underwriters**—Bertner Bros. and Earl Edden & Co., New York, N. Y.

★ Electronics Capital Corp.
May 25, 1961 filed 612,463 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each three shares held. **Price**—To be supplied by amendment. **Business** — The company is licensed under the Small Business Investment Act of 1958 and provides long-term investment capital and management services to small business concerns in the electronics field. **Proceeds**—For investment. **Office**—1400 Fifth Ave., San Diego, Calif. **Underwriter**—Bear, Stearns & Co., New York City (managing).

● Elgeet Optical Co., Inc. (6/19)
Price — $6.50 per share. **Business** — The production of March 28, 1961 filed 180,000 shares of common stock. lenses and optical systems for camera manufacturers. **Proceeds**—For repayment of bank loans, new machinery, research and development, with the balance for general corporate purposes. **Office**—838 Smith Street, Rochester, N. Y. **Underwriter**—Troster, Singer & Co., New York City (managing).

● Elion Instruments, Inc.
Oct. 28, 1960 filed 60,000 outstanding shares of capital stock (par 50 cents), together with five-year warrants for the purchase of 6,000 new capital shares, to be offered for sale in units of one share of stock and one-tenth of a warrant. No sale will be made of less than 10 such units. **Price**—To be related to the price of the company's stock in the over-the-counter market immediately prior to the offering. **Business**—The firm makes and sells instruments and equipment for scientific and industrial measurement and analyses. **Proceeds**—To selling stockholders, who are two company officers who will lend the net proceeds to the company. **Office**—430 Buckley St., Bristol, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa. **Offering** — Imminent.

● Empire Life Insurance Co. of America (6/29)
March 14, 1961 (letter of notification) 30,000 shares of capital stock (no par). **Price**—$10 per share. **Proceeds**—To go to selling stockholders. **Office**—2801 W. Roosevelt Road, Little Rock, Ark. **Underwriter**—Consolidated Securities, Inc., 2801 W. Roosevelt Road, Little Rock, Ark.

Enterprise Equipment, Inc.
April 5, 1961 filed 12,000 shares of 6% cumulative preferred stock. **Price**—At par ($25). **Business**—The company was organized in January, 1961, by Arden Farms

Co., parent, to own and lease trucks and equipment used in the processing and distribution of dairy products. **Proceeds**—For general corporate purposes. **Office**—1501 Fourth Avenue South, Seattle, Wash. **Underwriter**—None.

Enterprise Hotel Development Corp.
May 19, 1961 filed 242,000 shares of common stock and 9,680 shares of preferred stock (par $100) to be offered for public sale in units of one preferred and 25 common shares. **Price**—$150 per unit. **Business**—The company was formed by the Commonwealth of Puerto Rico to build and own a luxury, beach-front hotel in San Juan. The hotel will be operated under a 30-year lease by a subsidiary of Sheraton Corp. of America. **Proceeds**—For construction. **Office**—1205 Ponce de Leon Avenue, Santurce, P. R. **Underwriter**—None.

Equity Capital Co. (6/12-16)
April 7, 1961 filed 100,000 shares of common stock (par $1.25). **Price**—To be supplied by amendment. **Business**—The making of short-term construction and second mortgage loans, and the buying of improvement loan obligations from the holders thereof. **Proceeds**—To retire debt and for working capital. **Office**—430 First Avenue North, Minneapolis, Minn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Eurofund, Inc.
May 18, 1961 filed 551,250 shares of common stock (par $1) to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—To be supplied by amendment. **Business**—The Fund invests in securities of companies having operations in the Common Market Area of Europe. **Proceeds**—For investment. **Office**—14 Wall Street, New York City. **Underwriters**—Glore, Forgan & Co., (managing); Francis I. du Pont & Co.; Shearson, Hammill & Co., all of New York City.

Fairfield Controls, Inc.
May 19, 1961 filed 150,000 shares of common stock. **Price**—$1 per share. **Business**—The manufacture of electronic solid state power controls designed by the company's engineers from specifications supplied by customers. **Proceeds**—For equipment, repayment of a loan, inventory, advertising and working capital. **Office**—114 Manhattan Street, Stamford, Conn. **Underwriters**—Globus, Inc., and Lieberbaum & Co., both of New York City.

● **Faradyne Electronics Corp. (6/12-16)**
Jan. 30, 1961 filed $2,000,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co.

Federal Factors, Inc.
May 8, 1961 filed $700,000 of 6½% convertible subordinated debentures due 1976 and 70,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—A finance company. **Proceeds**—To repay loans, and for working capital. **Office**—400 S. Beverly Drive, Beverly Hills, Calif. **Underwriters**—Thomas Jay, Winston & Co., Beverly Hills, Calif.; Maltz, Greenwald & Co. and Globus, Inc., New York, N. Y.

● **Fiat Metal Manufacturing Co., Inc. (6/5-9)**
March 29, 1961 filed 220,462 outstanding shares of common stock (par 10 cents), to be offered for public sale by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of prefabricated metal shower cabinets, glass shower enclosures and pre-cast shower floors. **Proceeds**—For the selling stockholder. **Office** — Michael Court, Plainview, L. I., N. Y. **Underwriter**—Dempsey-Tegeler & Co., St. Louis and New York City.

Fidelity Bankers Life Insurance Corp. (6/26-30)
April 27, 1961 filed 547,128 shares of common stock. **Price** — To be supplied by amendment. **Business** — The writing of ordinary, group and credit life insurance in 13 states and the District of Columbia. **Proceeds**—For additional capital. **Office**—Broad at Willow Lawn, Richmond, Va. **Underwriters** — Lee Higginson Corp., and Shearson, Hammill & Co., both of New York City (managing).

★ **Fifth Dimension Inc.**
May 25, 1961 filed 60,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of precision instruments for measurement and control applications. **Proceeds** — For research and new product development. **Office**—P. O. Box 483, Princeton, N. J. **Underwriter**—Milton D. Blauner & Co., Inc., New York City (managing).

Fireco Sales Ltd. (6/15)
March 31, 1961 filed 123,000 outstanding shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The service merchandising of non-food consumer items in Canada, mainly in supermarkets. **Proceeds** — For the selling stockholder. **Office** — 33 Racine Rd., Rexdale (Toronto), Canada. **Underwriter**—McDonnell & Co., New York City (managing).

First Diversified Fund
May 15, 1961 filed 20,000 shares of the Fund. **Price**—$100 per share. **Business**—The Fund was organized in May, 1961, to provide investors with an opportunity to own an interest in diversified income-producing properties, chiefly real estate. **Proceeds**—For investment. **Office**—627 Salem Avenue, Dayton, Ohio. **Sponsor**—The Dahio Co., Dayton, Ohio.

First Small Business Corp. of New Jersey
April 18, 1961 filed 300,000 shares of capital stock (par $1), to be offered for public sale by the present holder thereof. **Price** — $12.50 per share. **Business** — A small business investment company organized in July, 1960, by the National State Bank of Newark, sole stockholder. **Proceeds**—For investment and working capital. **Office**—810 Broad St., Newark, N. J. **Underwriters**—Shearson, Hammill & Co., New York City and Heller & Meyer, East Orange, N. J. **Offering**—Expected in early June.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. Price—$12.50 per share. Proceeds — To provide investment capital. Office—Tampa, Fla. Underwriter—None.

Flato Realty Fund
April 21, 1961 filed 2,000,000 shares of participation in the Fund. **Price**—$10 per share. **Business**—A new real estate investment trust. **Proceeds** — For investment. **Office**—Highway 44 and Baldwin Blvd., Corpus Christi, Texas. **Distributor**—Flato, Bean & Co., Corpus Christi, Texas.

★ **Flora Mir Candy Corp.**
May 24, 1961 (letter of notification) 85,700 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Business**—The manufacture of candy products. **Proceeds**—For repayment of loans; working capital, and expansion. **Office**—1717 Broadway, Brooklyn, N. Y. **Underwriters**—Security Options Corp.; Jacey Securities Corp., and Planned Investing Corp. all of New York City.

★ **Ford Motor Co.**
May 26, 1961 filed 2,750,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be related to the current market price of the stock at the time of the sale. **Proceeds**—For the selling stockholder (the Ford Foundation). **Office**—Dearborn, Mich. **Underwriter**—Blyth & Co., Inc., New York City (managing). **Offering**—Expected in late June.

Fox-Stanley Photo Products, Inc. (6/19-23)
March 29, 1961 filed 387,500 shares of common stock (par $1) of which 50,000 shares are to be offered for public sale by the company and 337,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—In May 1961 the company plans to take over the businesses of The Fox Co., San Antonio, Tex., and the Stanley Photo Service, Inc., St. Louis, Mo., which are now engaged in the processing of photographic films and the sale of photographic equipment. **Proceeds**—For working capital and possible future acquisitions. **Office**—1734 Broadway, San Antonio, Tex. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

● **Frederick-Willys Co,. Inc.**
April 20, 1961 (letter of notification) 150,000 shares of common stock (par five cents). **Price**—$1.15 per share. **Proceeds**—To repay debt, purchase additional equipment, for research and development, and working capital. **Office**—6519 Nicollet Avenue, Minneapolis, Minn. **Underwriter**—Continental Securities, Inc., Minneapolis, Minn. **Note**—Continental Securities is no longer underwriting this issue.

Frontier Airlines, Inc.
March 16, 1961 filed 250,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The transportation by air of passengers, property and mail between 66 cities in 11 states. **Proceeds**—For the selling stockholders. **Office** — 5900 E. 39th Ave., Denver, Colo. **Underwriter**—To be named.

Futterman Corp. (6/5-9)
March 31, 1961 filed 1,000,000 shares of class A stock (par $1). **Price**—To be supplied by amendment. **Business** — The owning, managing, constructing, acquiring, leasing and sale of real estate properties. **Proceeds**—For the purchase of properties. **Office**—580 Fifth Avenue, New York City. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing).

G-W Ameritronics, Inc. (6/15)
Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc, Philadelphia, Pa.

★ **Garan Inc.**
May 29, 1961 filed 120,000 shares of common stock. **Price**—$6.50 per share. **Proceeds**—To equip a new plant at Lambert, Miss., and for working capital. **Office**—New York City. **Underwriter**—J. R. Williston & Beane, New York City (managing).

Gem International, Inc. (6/5-9)
April 6, 1961 filed 150,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The operation of closed-door membership department stores in Denver, Kansas City, St. Louis, Minneapolis, Wichita, Washington, D. C., and Honolulu. **Proceeds**—For the selling stockholders. **Office**—10900 Page Boulevard St. Louis, Mo. **Underwriters**—Bosworth, Sullivan & Co., Inc., Denver, Colo., and Scherck, Richter Co., St. Louis, Mo. (managing).

General Economics Corp.
March 8, 1961 filed 130,000 shares of common stock. **Price**—$5 per share. **Business**—The company is active in the over-the-counter market as both broker and principal, sells mutual fund securities and life insurance, and finances the payment of life insurance premiums. **Proceeds**—For additional working capital. **Office**—130 W. 42nd Street, New York City. **Underwriter**—Continental Planning Co., 130 West 62nd Street, New York City. **Offering**—Expected in June.

General Resistance, Inc.
April 24, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—The manufacture of precision wire sound resistors, restance networks and measuring instruments. **Proceeds**—For repayment of loans; working capital and general corporate purposes. **Office**—430 Southern Boulevard, Bronx, N. Y. **Underwriters**—Flomenhaft, Seidler & Co., Inc., New York, N. Y., and I. R. E. Investors Corp., Levittown, N. Y.

Geriatric Pharmaceutical Corp.
Feb. 28, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The distribution and sale of geriatric pharmaceuticals. **Proceeds**—For general corporate purposes. **Office**—45 Commonwealth Boulevard, Bellerose, N. Y. **Underwriter**—T. M. Kirsch Co., New York, N. Y. **Offering**—Imminent.

Giannini Scientific Corp.
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par 10 cents). **Price** — $10 per share. **Business**—Research, development and manufacturing in technological fields. **Proceeds** — For general corporate purposes. **Office**—30 Broad Street, New York, N. Y. **Underwriter**—Kidder, Peabody & Co., Inc., New York, N. Y.

★ **Gibbs (T. R.) Medicine Co., Inc.**
May 26, 1961 filed 110,000 shares of class A stock. **Price**—$3 per share. **Business**—The manufacture, marketing and distribution of proprietary drug products. **Proceeds**—For advertising and general corporate purposes. **Office**—1496 H Street, N. E., Washington, D. C. **Underwriter**—None.

Gilbert Data Systems, Inc.
April 14, 1961 filed 175,000 shares of common stock. **Price**—$2 per share. **Business**—The affixing of price tags, packing, warehousing of apparel and other services for department and chain stores. **Proceeds**—For plant additions, repayment of debt and working capital. **Office**—441 Ninth Ave., New York City. **Underwriter**—Schrijver & Co., New York City.

★ **Gilbert Youth Research, Inc.**
May 29, 1961 filed 65,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 15,000 outstanding shares by the present stockholder. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—205 E. 42nd St., New York City. **Underwriter** — McDonald & Co., Inc., New York City.

Gimbel Brothers, Inc. (6/12-16)
May 11, 1961 filed $25,000,000 of sinking fund debentures, due June 1, 1981. **Price** — To be supplied by amendment. **Business**—The issuer, together with its subsidiaries, constitutes one of the country's larger department store organizations. **Proceeds** — About $7,850,000 will be used to redeem the issuer's $4.50 cumulative preferred stock, with the balance to be used for construction of branch stores and general corporate purposes. **Office**—33rd St. and Broadway, New York City. **Underwriters**—Lehman Brothers and Goldman, Sachs & Co., both of New York City (managing).

● **Girard Industries Corp. (6/12-15)**
March 22, 1961 filed 100,000 shares of common stock (par 50 cents). **Price**—$5 per share. **Business**—The manufacture, and sale of certain types of furniture to retail dealers. **Proceeds**—For a new plant, equipment and working capital. **Office**—San Juan, Puerto Rico. **Underwriter**—Edwards & Hanly, Hempstead, N. Y. (managing). Brand, Grumet & Seigel, Inc.; Kesselmann & Co., Inc.; Casper Rogers & Co., Inc., New York City.

Golden Triangle Industries, Inc. (6/15)
March 29, 1961 filed 87,500 shares of common stock. **Price** — $4 per share. **Business** — The manufacture and sale of doll carriages, hobby horses and pony stock horses. **Proceeds** — For working capital. **Office** — 100 South 30th and Jane Streets, Pittsburgh, Pa. **Underwriter**—Robert M. Harris & Co., Inc., Philadelphia.

★ **Goodway Printing Co.**
May 23, 1961 filed 247,500 shares of no par capital stock, of which 60,000 shares are to be offered for public sale by the company and 187,500 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—Commercial printing and the publication of technical journals for prime defense contractors. **Proceeds**—For working capital. **Office**—4030 Chestnut St., Philadelphia, Pa. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing). **Offering**—Expected in July.

Gordon & Breach, Science Publishers, Inc.
April 21, 1961 (letter of notification) 80,000 shares of common stock (par 10 cents). **Price**—$1.75 per share. **Business**—Publishers of scientific textbooks. **Proceeds**—For working capital. **Office** — 150 Fifth Avenue, New York, N. Y. **Underwriter**—First Weber Securities Corp., New York, N. Y.

● **Gordon Jewelry Corp. (6/26-30)**
May 5, 1961 filed 140,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The company conducts a retail credit jewelry business and has two life insurance subsidiaries. **Proceeds**—For expansion. **Office**—Stewart Bldg., Houston, Texas. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Great Lakes Bowling Corp.
Feb. 24, 1961 filed $1,250,000 of 6% convertible subordinated debentures, due 1976. **Price**—$1,000 per deben-

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ture. **Business**—The operation of bowling centers with adjoining refreshment facilities in Michigan. **Proceeds**—For construction and working capital. **Office** — 6366 Woodward Ave., Detroit, Mich. **Underwriter**—None.

Greater Arizona Mortgage Co.
May 1, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—Mayer Central Building, Suite 115, Phoenix, Ariz. **Underwriters**—Henry Fricke Co., New York, N. Y. and Preferred Securities, Inc., Phoenix, Ariz.

Growth, Inc.
May 17, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Address**—Lynn, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

Growth Properties
May 9, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company plans to engage in all phases of the real estate business. **Proceeds** — To reduce indebtedness, construct apartment units, buy land, and for working capital. **Office**—Suite 418, Albert Bldg., San Rafael, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif. (managing).

Guaranty National Insurance Co.
Feb. 27, 1961 (letter of notification) 120,000 shares of common stock (par 50 cents). **Price**—$2.50 per share. **Proceeds**—For investment and the operation of the company. **Office**—916 Broadway, Denver, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo., and Pacific Coast Securities Co., San Francisco, Calif. (co-managers).

★ **Gulf Oil Corp.**
May 26, 1961 filed 1,670,000 outstanding shares of capital stock (par $8.333) to be offered for public sale by the present holders thereof. **Price**—To be related to the current market price at the time of the sale. **Proceeds**—For the selling stockholders. **Office**—Gulf Bldg., Pittsburgh 30, Pa. **Underwriter**—First Boston Corp., New York City (managing). **Offering**—Expected in late June.

Gulf-Southwest Capital Corp.
May 19, 1961 filed 1,250,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The company is licensed as a small business investment concern. **Proceeds**—For investment. **Office**—Esperson Building, Houston, Texas. **Underwriters**—Harriman Ripley & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston (managing).

Hager Inc.
March 31, 1961 filed 200,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The financing and sale of household food freezers and frozen foods to the consumer. **Proceeds**—For the repayment of debt and working capital. **Office**—2926 Fairfield Ave., Bridgeport, Conn. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing). **Offering** — Expected in mid-June.

● **Hallicrafters Co. (6/5-9)**
April 25, 1961 filed 300,000 shares of outstanding capital stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of short wave radio sets and military electronic equipment. **Proceeds** — To selling stockholders. **Office** — 4401 W. 5th Ave., Chicago, Ill. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Handmacher-Vogel, Inc.
May 17, 1961 245,000 shares of common stock, of which 94,950 shares are to be offered for public sale by the company and 120,050 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of women's suits and costumes. **Proceeds**—For the purchase of equipment and inventory and for plant modernization. **Office**—533 7th Ave., New York City. **Underwriter**—None.

Hardeman (Paul), Inc.
April 26, 1961 filed 350,000 shares of common stock (par 25 cents). **Price**—To be supplied by amendment. **Business**—The design, engineering, construction and installation of missile launching bases and related facilities for the armed forces. **Proceeds**—For working capital. **Office**—Stanton, Calif. **Underwriter**—Michael G. Kletz & Co., New York City (managing).

Harrisonville Telephone Co.
April 3, 1961 (letter of notification) 12,500 shares of common stock (par $20) being offered for subscription by stockholders on the basis of one new share for each two shares held of record May 13 with rights to expire June 5. **Price** — $22.50 per share. **Proceeds** — For the repayment of loans, and working capital. **Address** — Waterloo, Ill. **Underwriter**—McCourtney-Breckenridge & Co., St. Louis, Mo.

★ **Haverhill Gas Co.**
May 18, 1961 (letter of notification) 9,009 shares of capital stock (par $10) to be offered for subscription by stockholders of record June 14, 1961 at the rate of one new share for each 15 shares held. **Price**—$27 per share. **Office**—Haverhill, Mass. **Underwriter**—None.

Harvey Aluminum (Inc.)
May 16, 1961 filed 1,000,000 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The production of primary aluminum and aluminum mill products. **Proceeds**—For expansion. **Office**—19200 So. Western Ave., Torrance, Calif. **Underwriters**—Kuhn, Loeb & Co., Inc., and Tucker, Anthony & R. L. Day, both of New York City (managing). **Offering**—Expected in late June.

Harvey House, Inc.
May 8, 1961 filed 140,000 shares of common stock. **Price**—$3 per share. **Business**—The publication and distribution of educational books and materials. **Proceeds** — For expansion and the repayment of debt. **Office**—5 South Buckout Street, Irvington-on-Hudson, New York. **Underwriter**—Michael G. Kletz & Co., New York City (managing).

Harvey's Stores, Inc.
April 28, 1961 filed 150,000 outstanding shares of class A stock to be offered for public sale by the present holders thereof. **Price**—$7.50 per share. **Business**—The operation of a chain of women's wear and children's apparel stores in Ohio, Indiana, Illinois and Michigan. **Proceeds** — For the selling stockholders. **Office** — 500 Seventh Avenue, New York City. **Underwriter**—Maltz, Greenwald & Co., New York City (managing). **Offering**—Expected in mid-June.

Harwyn Publishing Corp. (6/5-9)
March 30, 1961 filed 110,000 shares of class A common stock (par 10 cents). **Price**—$3.75 per share. **Business**—The publishing of illustrated encyclopedic works, principally for children. **Proceeds**—For general corporate purposes. **Office**—170 Varick Street, New York City. **Underwriter**—N. A. Hart & Co., Bayside, N. Y.

Hathaway Instruments, Inc.
May 5, 1961 filed 351,280 shares of common stock, of which up to 90,000 shares are to be offered for public sale by the present holders thereof and the balance by the company. **Price** — At-the-market at time of sale. **Business**—The design, manufacture and sale of electric power recording instruments. **Office**—2401 E. Second Avenue, Denver, Colo. **Underwriters**—Bear, Stearns & Co. and Wertheim & Co., New York, N. Y.

Hickory Industries, Inc.
March 9, 1961 (letter of notification) 25,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of barbecue machines and allied equipment. **Proceeds** — For general corporate purposes. **Office**—10-20 47th Road, Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y. **Offering**—Imminent.

Holiday Sportswear, Inc.
April 21, 1961 filed 86,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of specialized bowling apparel for men, women and children. **Proceeds**—For additional working capital. **Office**—311 West Eighth St., Kansas City, Mo. **Underwriter**—George K. Baum & Co., Kansas City, Mo. (managing).

Home-Maker Stores, Inc.
May 17, 1961 (letter of notification) 85,700 shares of common stock (par $2.50). **Price**—$3.50 per share. **Office**—2306 Foshay Tower, Minneapolis, Minn. **Underwriter**—M. H. Bishop & Co., Minneapolis, Minn.

● **Howe Plastics & Chemical Companies, Inc. (6/5-9)**
March 29, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—At-the-market. **Business**—The manufacture of plastic items. **Proceeds**—For the repayment of debt; advertising and sales promotion; expansion and working capital. **Office**—4077 Park Avenue, Bronx 57, N. Y. **Underwriter**—J. I. Magaril Co., New York, N. Y.

● **Hunt Foods & Industries Inc. (6/21)**
May 23, 1961 filed $38,799,500 of convertible subordinated debentures due July 1, 1986, to be offered to the holders of the outstanding common on the basis of $100 principal amount of debentures for each 12 shares held. **Price**—To be supplied by amendment. **Business** — The company processes, packages and distributes food and grocery products. **Proceeds**—For construction and working capital. **Office**—Fullerton, Calif. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Hydro-Space Technology, Inc.
May 12, 1961 filed 300,000 shares of common stock, of which 155,000 shares are to be offered for public sale by the company and 145,000 outstanding shares by the present holders thereof. **Price**—$3 per share. **Business**—The design, engineering, production and sale of cartridge actuated devices, the evaluation of propulsion systems and propellants, and the production of buoyancy devices for underwater research and defense. **Proceeds**—For new equipment and facilities, the repayment of loans and working capital. **Office**—West Caldwell, N. J. **Underwriters**—Michael G. Kletz & Co., Inc., and John H. Kaplan & Co., both of New York City.

★ **Hydrodyne Industries, Inc.**
May 19, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price** — $2.50 per share. **Business** — The manufacture of hydraulic components. **Proceeds** — For purchase of equipment and inventory; marketing and sales promotion; repayment of loans; research and development; moving expenses and installation costs; preparation of catalogues and other literature; reserves and general corporate purposes. **Office** — 15 Holman Boulevard, Hicksville, L. I., N. Y. **Underwriter**—United Planning Corp., Newark, N. J.

● **Hydroswift Corp.**
Oct. 20, 1960 filed 120,000 shares of common stock. **Price**—$3 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office**—1750 South 8th Street, Salt Lake City, Utah. **Underwriter** — Whitney & Co., Salt Lake City, Utah.

I C Inc.
June 29, 1960 filed 600,000 shares of com. stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Building, Denver, Colo. **Underwriters**—Industrial Securities Corp. and Amos C. Sudler & Co., both of Denver, Colo. **Offering**—Expected in late July.

I T A Electronics Corp.
April 7, 1961 (letter of notification) 60,000 shares of common stock. **Price**—$5 per share. **Business**—Manufactures electronic equipment and components. **Proceeds**—For general corporate purposes. **Office**—Lansdown, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

Ihnen (Edward H.) & Son, Inc. (7/3)
May 16, 1961 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—The construction of public and private swimming pools and the sale of pool equipment. **Proceeds**—To reduce indebtedness, to buy equipment, and for working capital. **Office**—Montvale, N. J. **Underwriter** — Amos Treat & Co., Inc., New York City (managing).

● **Illinois Bell Telephone Co.**
May 12, 1961 filed 4,190,652 shares of common capital stock being offered for subscription by stockholders on the basis of one new share for each eight shares held of record May 29, with rights to expire on June 30. **Price**—At par ($20 per share). **Proceeds**—For the repayment of advances from A. T. & T., parent; property additions and improvements, and general corporate purposes. **Office**—212 W. Washington Blvd., Chicago, Ill. **Underwriter**—None.

● **Income Planning Corp. (6/16)**
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price** — $40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J.

Income Properties, Inc. (6/12-16)
March 31, 1961 filed 150,000 shares of class A stock (par 50 cents). **Price**—$9.75 per share. **Business**—Formerly known as Price Investors Corp., the company owns and operates six apartment houses and plans to construct two more. **Proceeds**—To repay debt and for working capital. **Office**—1801 Dorchester Road, Brooklyn, N. Y. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York City (managing).

★ **Independence Life Insurance Co. of America**
May 24, 1961 filed 150,000 shares of capital stock, of which 100,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The writing of life and disability insurance, principally in southern California. **Proceeds**—To be added to the company's general funds. **Office**—99 South Lake Ave., Pasadena, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

Industrial Control Products, Inc. (6/15)
March 10, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The engineering, designing and precision machining of electronic components. **Proceeds** — For research and development, inventory, equipment, start-up costs of semi-conductor production, and for working capital. **Office**—78 Clinton Rd., Caldwell Township, N. J. **Underwriter** — Edward Hindley & Co., New York City. **Offering**—Imminent.

Industrial Materials, Inc.
April 27, 1961 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The manufacture of a new patented fiber glass material to be used in rocket motor cases. **Proceeds**—For expenses, equipment and working capital. **Office**—1025 Shoreham Bldg., Washington, D. C. **Underwriter**—Atlantic Equities Co., Washington, D. C.

Inland Life Insurance Co.
May 18, 1961 filed 375,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The writing of non-participating ordinary life and group life insurance. **Proceeds**—For investment and general corporate purposes. **Office**—175 West Jackson Boulevard, Chicago, Ill. **Underwriter**—A. G. Becker & Co., Chicago (managing).

● **International Cablevision Corp.**
May 23, 1961 filed 164,850 shares of class A common stock. **Price**—$10 per share. **Business**—The construction and operation of television cable systems. **Proceeds**—For expansion, general corporate purposes, and to offset deficits anticipated during the commencement of certain Florida operations. **Office**—New York City. **Underwriter**—James Anthony & Co., Inc., New York City (managing).

International Flight Caterers, Inc.
May 1, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price**—$4 per share. **Proceeds**—For plant facilities, special food trucks and working capital. **Address**—Miami, Fla. **Underwriter**—Amber, Burstein & Co., Inc., 40 Exchange Place, New York, N. Y.

International Photocopy Corp.
Feb. 28, 1961 (letter of notification) 100,000 shares of common stock. **Price** — $3 per share. **Business** — Manufacturer and distributor of office photocopying equipment, chemicals and paper. **Proceeds**—For expansion and working capital. **Office** — 564 W. Randolph St., Chicago, Ill. **Underwriter** — J. J. Krieger & Co., New York City.

International Silver Co. (6/30)
May 16, 1961 filed $7,822,000 of convertible subordinated debentures due Aug. 1, 1981 to be offered for subscription by common stockholders on the basis of $100 of debentures for each 15 shares held of record June 30

with rights to expire about July 17. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of silverware, flatware and table accessories. **Proceeds**—For the retirement of such 7% cumulative preferred shares as are tendered to the company during a period commencing June 12. **Office**—16 East 40th Street, New York City. **Underwriter**—Lehman Brothers, New York City (managing).

Interstate Power Co.
March 16, 1961 filed 202,333 shares of common stock being offered for subscription by common stockholders on the basis of one new share for each 16 shares held of record May 18, with rights to expire June 2. **Price** —$22 per share. **Proceeds** — To repay bank loans and for construction. **Offices** — 1000 Main Street, Dubuque, Iowa, and 111 Broadway, New York City. **Underwriter** — Kidder, Peabody & Co., New York City (managing).

Invesco Collateral Corp.
March 6, 1961 filed $900,000 of 6% registered subordinated debentures to be offered in three series of $300,000 each, due June 30, 1965, 1966 and 1967, respectively. **Price**—$4,315; $4,190 and $4,079 per $5,000 of debentures. **Business**—The company, a wholly-owned subsidiary of Investors Funding Corp. of New York was organized under New York law in June, 1960, to purchase, invest in and sell real estate mortgages. **Proceeds**—For investment. **Office**—511 Fifth Avenue, New York City. **Underwriter**—None.

Investors Funding Corp. of New York
May 1, 1961 filed $2,000,000 of registered subordinated debentures due 1976 (with class A warrants to purchase 20,000 class A shares) and 40,000 shares of class A stock to be offered for public sale in units consisting of one $500 debenture and 10 class A shares. **Price**—$650 per unit. **Business**—The buying, selling and investing in real estate particularly apartment houses in the New York City area. **Proceeds**—For general corporate purposes. **Office**—630 Fifth Avenue, New York City. **Underwriter** —Eisele & King, Libaire, Stout & Co., New York City.

● **Investors Preferred Life Insurance Co. (7/3)**
March 30, 1961 filed 400,000 shares of common stock. **Price**—$2.40 per share. **Business**—The company is authorized to sell life, accident and health insurance. **Proceeds**—To be added to capital and surplus. **Office**—310 Spring Street, Little Rock, Ark. **Underwriter**—Life Securities, Inc., P. O. Box 3662, Little Rock.

Irvington Steel & Iron Works
Feb. 13, 1961 (letter of notification) 150,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Business** — Fabricators of structural steel. **Proceeds** — For general corporate purposes. **Office** — Somerset Street, New Brunswick, N. J. **Underwriter**—L. L. Fane & Co., Inc., Plainfield, N. J. **Offering**—Imminent.

"Isras" Israel-Rassco Investment Co. Ltd.
March 27, 1961 filed 30,000 shares of ordinary stock. **Price**—$62 per share. The company may, but is not obligated to, accept payment in State of Israel bonds. **Proceeds**—For the construction of hotels, office buildings, housing projects and the like. **Office**—Tel Aviv, Israel. **Underwriter**—None.

Ivest Fund, Inc. (6/15)
Feb. 20, 1961 filed 150,000 shares of common stock. **Price** —Net asset value at the time of the offering. **Business** — A non-diversified, open-end investment company, whose stated objective is capital appreciation. **Proceeds** —For investment. **Office** — One State Street, Boston, Mass. **Underwriter**—Ivest, Inc., One State Street, Boston, Mass.

Jackson National Life Insurance Co.
April 11, 1961 filed 300,000 shares of class A common stock. **Price** — $4 per share. **Business** — The company plans to engage in the life insurance business. **Proceeds** —For capital funds, and working capital. **Office**—245 West Michigan Avenue, Jackson, Mich. **Underwriter**—Apex Investment Co., Detroit.

Jefferson Construction Co.
May 10, 1961 filed 340,000 shares of common stock, of which 110,000 shares are to be offered for public sale by the company and 230,000 outstanding shares by the present holders thereof. **Price**—$5.50 per share. **Business**—The company bids on government contracts for the erection of buildings, roads, dams, airstrips and canals and undertakes construction contracts for private commercial interests on a lump sum or a cost-plus-fixed-fee basis. **Proceeds** — For the purchase of equipment. **Office** — 75 First St., Cambridge, Mass. **Underwriter**—Pistell, Crow, Inc., New York City.

Jefferson Counsel Corp.
March 13, 1961 filed 30,000 shares of class B common stock (non-voting). **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 to sponsor the organization of the Jefferson Growth Fund, Inc., a new open-end diversified investment company of the management type. **Proceeds**—For organizational and operating expenses. **Office**—52 Wall St., New York City. **Underwriter**—None. **Offering** — Expected about mid-June.

Jolyn Electronic Manufacturing Corp.
April 24, 1961 (letter of notification) 64,500 shares of common stock (par one cent). **Price** — $3 per share. **Business**—The manufacture of machine tool products, drift meters, sextants and related items. **Proceeds**—For repayment of a loan, working capital, and general corporate purposes. **Office**—Urban Avenue, Westbury, L. I., N. Y. **Underwriter**—Kerns, Bennett & Co., Inc., New York, N. Y.

Jordan (Edith), Inc.
May 1, 1961 (letter of notification) 32,488 shares of common stock (no par). **Price**—$7.50 per share. **Proceeds**—For a product line, inventory, and reserve credit. **Office** —524 Franklin Street, Fayetteville, N. C. **Underwriters** —Powell, Kistler & Co., Fayetteville, N. C.; French & Crawford, Inc., Atlanta, Ga.; Southeastern Securities Corp., Charlotte, N. C.; Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn. and C. F. Cassell, Inc., Charlottesville, Va.

Julie Research Laboratories, Inc.
March 29, 1961 filed 100,000 outstanding shares of common stock to be offered for public sale by the present stockholder. **Price**—$10 per share. **Business**—Basic research and development leading to the design, manufacture and sale of precise electronic components and instruments. **Proceeds**—For the selling stockholder. **Office** —603 West 130th Street, New York City. **Underwriter** —C. E. Unterberg, Towbin Co., New York City (managing).

Jungle Juice Corp.
Oct. 28, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price** — $2.50 per share. **Proceeds**—For working capital and expansion. **Address** —Seattle, Wash. **Underwriter**—Fidelity Investors Service, East Meadow. N. Y.

★ **Kaiser Aluminum & Chemical Corp.**
May 31, 1961 filed 375,000 shares of common stock, of which 250,000 shares are to be sold for the account of the company and 125,000 shares for the selling stockholder. **Price**—To be supplied by amendment. **Business** —The company is a major producer of primary aluminum and fabricated aluminum products. **Proceeds**—For working capital. **Office** — 300 Lakeside Drive, Oakland, Calif. **Underwriter**—First Boston Corp., New York City and Dean Witter & Co., San Francisco, Calif.

Kaiser Aluminum & Chemical Corp.
March 30, 1961 filed 61,169 outstanding shares of 4¾% cumulative convertible (1961 series) preference stock ($100 par) and 305,834 outstanding shares of common stock, to be offered for public sale by the holders thereof. **Price**—To be supplied by amendment. **Business** —The company is a producer of primary aluminum and aluminum products. **Proceeds**—For the selling stockholders. **Office** — 300 Lakeside Drive, Oakland, Calif. **Underwriter**—None.

Kane-Miller Corp.
May 17, 1961 filed 120,000 shares of common stock. **Price** —$5 per share. **Business**—The company is a wholesaler and distributor of grocery products to institutions, restaurants, steamship lines and the like. **Proceeds**—For inventory, and working capital. **Office** — 81 Clinton Street, Yonkers, N. Y. **Underwriters**—Netherlands Securities Co., Inc., and Seymour Blauner Co., both of New York City and J. J. Bruno & Co., Pittsburgh, Pa.

● **Kings Electronics Co., Inc.**
Jan. 27, 1961 filed 295,187 shares of common stock, of which 250,000 are to be offered for public sale by the company and 45,187 shares, being outstanding stock, by the present holders thereof. **Price**—$4 per share for the new stock. The outstanding shares will be offered at the prevailing market price on the over-the-counter market or on any securities exchange upon which they may be listed at any time after 60 days from the date of the company's offering. **Business**—The company is engaged principally in the design, development and manufacture of radio frequency connectors. **Proceeds**—For expansion, the repayment of loans and for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York City (managing). **Note**—This statement has been withdrawn.

Knickerbocker Biologicals, Inc.
Dec. 23, 1960, filed 100,000 outstanding shares of class A stock. **Price**—$6 per share. **Business**—The manufacture, packaging and distribution of a line of diagnostic serums and cells used for the purpose of blood grouping and testing. The company also operates blood donor centers in New York and Philadelphia. **Proceeds**—For the selling stockholders. **Office**—300 West 43rd Street, New York City. **Underwriter**—None.

● **Kreisler (Charles), Inc.**
Feb. 27, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Business** —Sale and rental of automobiles. **Proceeds**—Acquisition of cars for rental purposes; acquisition of additional salesroom; advertising and sales promotion and for working capital. **Office**—241 Park Avenue, New York, N. Y. **Underwriter**—Albion Securities Co., Inc., New York, N. Y. **Note**—Albion Securities Co., has withdrawn as underwriter.

Krystinel Corp.
April 12, 1961 filed 90,000 shares of class A stock. **Price** —$2.50 per share. **Business**—The company produces ferrites, which are ceramic-like materials with magnetic properties, and conducts a research and development program for ferrite products. **Proceeds**—For the repayment of a loan, research and development, new equipment and working capital. **Office**—P. O. Box 6, Fox Island Road, Port Chester, N. Y. **Underwriters**—Ross, Lyon & Co., Inc., and Schrijver & Co., both of New York City.

Lafayette Realty Co.
April 28, 1961 filed 129.3 limited partnership interests. **Price**—$5,000 per interest. **Business**—The partnership owns a contract to purchase the fee title to the Lafayette Building in Detroit, Mich. **Proceeds**—To purchase the above property. **Office**—18 E. 41st Street, New York City. **Underwriter**—Tenney Securities Corp., 18 E. 41st Street, New York City.

Lamtron Industries, Inc.
May 3, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For equipment, inventory, and working capital. **Office**—1425 Northwest Miami Court, Miami, Fla. **Underwriter**—Lewis Wolf, Inc., New York, N. Y.

Lannett Co., Inc.
April 7, 1961 (letter of notification) 150,000 shares of common stock. **Price**—$2 per share. **Business**—The manufacture and sale of pharmaceuticals. **Proceeds**—For a new building, research and development, and a sales training program. **Office**—Frankford Ave., and Allen St., Philadelphia, Pa. **Underwriter** — Netherlands Securities Co., Inc., New York City.

Lanvin-Parfums, Inc.
May 17, 1961 filed 440,000 shares of common stock. **Price** —To be supplied by amendment. **Business** — The importation and distribution in the U. S. of French perfumes. **Proceeds**—To E. L. Cournand, the issuer's president, selling stockholder. **Office** — 767 5th Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

"Lapidoth" Israel Oil Prospectors Corp. Ltd.
Oct. 27, 1960 filed 1,500,000 ordinary shares. **Price**—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. **Business**—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. **Proceeds**—For exploration and development of oil lands. **Office**—22 Rothschild Blvd., Tel-Aviv, Israel. **Underwriter**—None.

Lewis & Clark Marina, Inc.
May 9, 1961 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Address**—Yankton, S. D. **Underwriter**—E. W. Behrens & Co., Inc., Sioux Falls, S. D.

Lincoln Fund, Inc.
March 30, 1961 filed 951,799 shares of common stock. **Price** — Net asset value plus a 7% selling commission. **Business** — A non-diversified, open-end, management-type investment company whose primary investment objective is capital appreciation and, secondary, income derived from the sale of put and call options. **Proceeds**—For investment. **Office**—300 Main St., New Britain, Conn. **Distributor**—Horizon Management Corp., New Britain.

Lindy Hydrothermal Products, Inc.
March 30, 1961 filed 65,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The design, manufacture, distribution and sale of heat exchange products and custom tanks for the storage of water, chemicals and other liquids. **Proceeds**—For new equipment, plant relocation, product development and repayment of debt. **Office**—2370 Hoffman Street, New York City. **Underwriter**—Bond, Richman & Co., New York City.

Lithonia Lighting, Inc.
May 23, 1961 filed 226,000 shares of common stock of which 136,000 shares are to be sold for the account of the company and 90,000 shares for certain selling stockholders. **Price**—To be supplied by amendment. **Business** —The manufacture of fluorescent lighting fixtures for commercial, institutional and industrial buildings. **Office** —Conyers, Ga. **Underwriters**—Bache & Co., New York City and Robinson-Humphrey Co., Inc., Atlanta, Ga.

★ **Long Island Bowling Enterprises, Inc.**
May 24, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The operation of bowling alleys. **Proceeds**—For general corporate purposes. **Address**—Mattituck, L. I., N. Y. **Underwriter**—Tau Inc., New York, N. Y.

Lorillard (P.) Co. (6/7)
May 11, 1961 filed $40,000,000 of sinking fund debentures due June 1, 1986. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of cigarettes, chewing tobacco and little cigars. **Proceeds**—For the repayment of bank loans. **Office**—200 East 42nd St., New York City. **Underwriters**—Lehman Brothers and Smith, Barney & Co., both of New York City.

Lytton Financial Corp. (6/15)
March 30, 1961 filed 300,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company owns the stocks of several California savings and loan associations. It also operates an insurance agency, and through a subsidiary, Title Acceptance Corp., acts as trustee under trust deeds securing loans made by the associations. **Proceeds**—To repay loans and for working capital. **Office** — 8150 Sunset Boulevard, Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., New York City (managing).

M & F Graphic Arts & Industrial Photographic Supply Co.
May 1, 1961 filed 80,000 shares of class A common stock, of which 60,000 shares are to be offered for the account of the issuing company and 20,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The distribution of photographic supplies to amateur and professional photographers. **Proceeds**—For working capital and general corporate purposes. **Office**—220 Luckie St., N. W., Atlanta, Ga. **Underwriter** — Robinson-Humphrey Co., Inc., Atlanta, Ga. (managing).

MacGregor Bowling Centers, Inc.
May 3, 1961 filed 120,000 shares of common stock, of which 100,000 will be offered for public sale by the company and 20,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To repay loans and for working capital. **Office**—5309 South Park Blvd., Houston, Tex. **Underwriters** —Rowles, Winston & Co., and Fridley & Frederking, Houston.

Mages Sporting Goods Co.
May 1, 1961 filed 1,029,961 shares of common stock to be

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offered for subscription by stockholders on the basis of one new share for each two common shares held. **Price**—To be supplied by amendment. **Business**—The mail order and retail sale of sporting goods and recreational equipment. **Proceeds**—For the repayment of debt and other corporate purposes. **Office** — 227 West Madison Street, Chicago, Ill. **Underwriter**—None.

Marcon Electronics Corp.
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par $1). **Price** — $10 per share. **Business** — Manufacture of electrical and electronic equipment **Proceeds**—For purchase of equipment and tooling, research and development and working capital. **Office**—199 Devon Terrace, Kearny, N. J. **Underwriter**—Meade & Co., New York, N. Y. **Offering**—Imminent.

• Marine & Electronics Manufacturing Inc. (6/12-16)
Sept. 22, 1960 (letter of notification) 75,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address** — 319 W. Howard St., Hagerstown, Md. **Underwriter**—Lecluse & Co., Washington, D. C. **Offering**—Expected in early June.

Marine Structures Corp.
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—Grant, Fontaine & Co., Oakland, Calif. **Offering**—Expected in early June.

Marrud, Inc. (6/15)
April 12, 1961 filed 194,750 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 94,750 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The wholesale distribution of cosmetics, beauty aids, health aids and related products. **Office**—189 Dean St., Norwood, Mass. **Underwriter**—McDonnell & Co., New York City.

Massachusetts Electric Co. (6/27)
April 24, 1961 filed $17,500,000 of first mortgage bonds, series F, due 1991. **Proceeds** — For the repayment of debt and for construction. **Office** — 939 Southbridge Street, Worcester, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and Coffin & Burr, Inc. **Bids**—To be received on June 27, 1961.

Metropolis Bowling Centers, Inc.
May 1, 1961 filed 198,000 shares of common stock, of which 120,000 shares are to be offered for public sale by the company and 78,000 outstanding shares by the present holders thereof. **Price**—About $5 per share. **Business**—The acquisition and operation of bowling centers, principally in New York City. **Proceeds**—To improve existing properties and acquire other bowling centers. **Office**—647 Fulton Street, Brooklyn, N. Y. **Underwriters**—Russell & Saxe, Inc., (managing); Thomas, Williams & Lee, Inc., and V. S. Wickett & Co., New York City. **Offering**—Expected in mid-June.

• Metropolitan Securities, Inc. (6/5-9)
Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par $1). Price—$3 per share. Proceeds — For working capital. Office — 919-18th St., N. W., Washington, D. C. Underwriter — Metropolitan Brokers, Inc., Washington, D. C.

Michigan Wisconsin Pipe Line Co. (6/14)
April 21, 1961 filed $30,000,000 of first mortgage pipe line bonds, due 1981. **Proceeds**—For construction. **Office**—500 Griswold St., Detroit, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc. **Bids**—To be received on June 14 at 11 a.m. (DST) in Suite 4950, 30 Rockefeller Plaza, New York City.

• Micro Electronics Corp. (6/19-23)
March 31, 1961 filed 100,000 shares of common stock. **Price** — $4 per share. **Business** — The manufacture of printed circuits for the electronics industry. **Proceeds**—$124,000 for new plant, $76,000 for equipment, and $110,000 for working capital. **Office**—1191 Stout St., Denver, Colo. **Underwriter**—R. Baruch & Co., Washington, D. C. (managing).

Microtron Industries, Inc.
March 1, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price** — $1 per share. **Proceeds** — For purchase of equipment; inventory of parts; working capital; and research and development. **Office** — 120 S. Fairfax, Denver, Colo. **Underwriter** — Amos C. Sudler & Co., Denver, Colo.

Microwave Semiconductor & Instruments Inc.
May 12, 1961 filed 120,000 shares of common stock. **Price**—$3 per share. **Business**—The research, development, manufacture and sale of microwave devices and instruments. **Proceeds**—For additional equipment, research, inventory and working capital. **Office** — 116-06 Myrtle Avenue, Richmond Hill, N. Y. **Underwriter** — First Investment Planning Co., Washington, D. C.

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85 cents of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds**—To start its lending activities. **Address**—P. O. Box 886, Rapid City, S. D. **Underwriter**—None.

Minnesota Scientific Corp.
March 24, 1961 filed 1,500,000 shares of common stock. **Price**—$1.15 per share. **Business**—The company is licensed under the Small Business Investment Act of 1958 and is registered with the SEC as a non-diversified, closed-end, management investment company, which will invest in the fields of electronics, physics and chemistry. **Proceeds**—For investment and operating expenses. **Office** — First National Bank Building, Minneapolis, Minn. **Underwriter**—Bratter & Co., Inc., Minneapolis, Minn. **Note**—This company was formerly named National Scientific Corp.

Miratel Electronics, Inc.
May 1, 1961 (letter of notification) 100,000 shares of common stock (par 30 cents). **Price**—$3 per share. **Proceeds**—To repay notes, for research and development, equipment and working capital. **Office**—1st St., Southeast & Richardson St., New Brighton, Minn. **Underwriter**—None.

Missile Sites, Inc.
March 30, 1961 filed 291,000 shares of common stock. **Price**—$5 per share. **Business**—A prime contractor with governmental agencies for the building of missile and radar sites and other specialized facilities. **Proceeds**—For working capital. **Office**—11308 Grandview Ave., Wheaton, Md. **Underwriter**—Balogh & Co., Inc., Washington, D. C.

Missile-Tronics Corp.
May 8, 1961 (letter of notification) 151,900 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacturers of technical equipment. **Proceeds** — For payment of loans; machinery and office equipment; reduction of current liabilities; research and development and working capital. **Office**—245 4th St., Passaic, N. J. **Underwriter** — Hopkins, Calamari & Co., Inc., 26 Broadway, New York, N. Y.

Missouri Edison Co. (6/12)
May 1, 1961 filed $2,000,000 of first mortgage bonds, series C. The company is a subsidiary of Union Electric Co. **Proceeds**—For the repayment of loans and for expansion. **Office**—123½ North Fourth Street, Louisiana, Mo. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly), Salomon Brothers & Hutzler. **Bids**—To be received on June 12 at 11 a.m. (DST) in Room 1900, 60 Broadway, New York City. **Information Meeting**—Scheduled to be held June 6, at 11 a.m. (DST) second floor, Bankers Trust Co., 16 Wall St., New York City.

Model Vending, Inc.
April 27, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The operation of vending machines for the retail sale of cigarettes, candy and a variety of other food and drink products. The company also operates coin-type phonograph machines and amusement devices. **Proceeds** — For new equipment, modernization of accounting procedures, and general corporate purposes. **Office**—4830 N. Front Street, Philadelphia, Pa. **Underwriter**—Milton D. Blauner & Co., Inc., New York City (managing), Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa., and M. L. Lee & Co., Inc., New York City. **Offering**—Expected about mid-June.

Modern Homes Construction Co.
May 10, 1961 filed $5,500,000 of subordinated debentures due June 15, 1981 and 550,000 shares of common stock to be offered for public sale in 275,000 units, each unit consisting of $20 principal amount of debentures and two common shares. **Price**—To be supplied by amendment. **Business**—The construction, financing and sale of shell homes principally in the southern and southwestern portions of the U. S. **Proceeds**—To finance the sale of additional shell homes. **Office**—P. O. Box 1331, Valdosta, Ga. **Underwriter**—Harriman Ripley & Co., New York City (managing).

• Moderncraft Towel Dispenser Co., Inc. (6/9)
March 30, 1961 filed 80,000 shares of common stock, of which 73,750 shares are to be offered for public sale by the company and 6,250 outstanding shares by the underwriter. **Price**—$4 per share. **Business**—The manufacture and sale of an improved towel dispensing cabinet. **Proceeds**—For advertising, research and development, payment of debt, and working capital. **Office** — 20 Main Street, Belleville, N. J. **Underwriter**—Vickers, Christy & Co., Inc., New York City.

• Mohawk Insurance Co. (6/16)
Aug. 8, 1960, filed 75,000 shares of class A common stock **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

Mokan Small Business Investment Corp., Inc.
Jan. 17, 1961 filed 3,000 shares of common stock. **Price**—$100 per share. **Business**—The company was organized under Kansas law in October 1960 and is applying to the Small Business Administration for a Federal license to operate as a small business investment company. **Proceeds**—For general corporate purposes. **Office** — 719 Walnut St., Coffeyville, Kan. **Underwriter**—None.

Monticello Lumber & Mfg. Co., Inc.
April 11, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The sale of lumber, building supplies and hardware. **Proceeds**—To repay loans and for working capital. **Address**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., New York, N. Y.

Morris Shell Homes, Inc.
May 1, 1961 filed $3,000,000 of 8% subordinated debentures due July 1, 1986; 150,000 shares of common stock; 150,000 first warrants and 150,000 second warrants, to be offered for public sale in units, each consisting of one $20 debenture, one common share, one first warrant and one second warrant. **Price** — To be supplied by amendment. **Business** — The construction and sale of shell homes. **Office** — 505 Morgan Street, Knoxville, Tenn. **Underwriter**—Johnson, Lane, Space Corp., Savannah (managing).

• Mortgage Guaranty Insurance Co. (6/15)
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State. **Offering**—Expected in June.

• Motor Travel Services, Inc. (6/12-16)
May 2, 1961 (letter of notification) 260,000 shares of common stock (par 25 cents). **Price**—$1.15 per share. **Proceeds**—For an advertising program and working capital. **Office** — 1521 Hennepin Avenue, Minneapolis, Minn. **Underwriter**—Bratter & Co., Inc., Minneapolis, Minn.

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $12,750,000 (12,500 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in mid-June.

Municipal Investment Trust Fund, First Pa. Series
April 28, 1961 filed $6,375,000 (6,250 units) of interests. **Price**—To be supplied by amendment. **Business**—The fund will invest in tax-exempt bonds of the Commonwealth of Pennsylvania and its political sub-divisions. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in mid-June.

Nash (J. M.) Co., Inc.
March 30, 1961 filed $1,000,000 of series A subordinated debentures, due July 1, 1981 and $1,000,000 of series B convertible subordinated debentures, due July 1, 1981. **Price**—To be supplied by amendment. **Business**—The manufacture of a variety of industrial products including woodworking and packaging equipment, power saws, auxiliary power plants, centrifugal pumps, inboard marine engines and a line of leisure time and sporting goods merchandise. **Proceeds**—To retire on or about Oct. 1, 1961 all outstanding 7½% convertible debentures; to repay bank loans, and for other corporate purposes. **Office**—208 Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Robert W. Baird & Co., Milwaukee (managing).

Nat Nast, Inc.
April 18, 1961 filed 150,000 shares of class A common stock. **Price**—$4 per share. **Business**—The manufacture and distribution of bowling apparel. **Proceeds** — For working capital, construction, and funds estimated at $125,000 to stock such items as bowling clothes and accessories, gym clothing, etc. **Office**—816 Central, Kansas City, Mo. **Underwriter**—Hardy & Co., New York City (managing).

• National Bagasse Products Corp. (6/5-9)
March 14, 1961 filed 16,200 units, each unit consisting of $100 of 15-year 7% subordinated debentures, 30 shares of class A common and 10 warrants (to buy a like number of class A shares). **Price** — $163.85 per unit. **Business** — Manufactures composition board, hard board and insulating board from bagasse, a waste product of sugar refining. **Proceeds** — To build a new plant at Vacherie, La. **Office**—821 Gravier St., New Orleans, La. **Underwriters**—S. D. Fuller & Co., New York City, and Howard, Weil, Labouisse, Friedrichs & Co., New Orleans (managing).

National Mercantile Corp. (6/5-9)
March 29, 1961 filed 100,000 shares of common stock and five-year warrants to purchase an additional 20,000 common shares, to be offered for public sale in units consisting of one common share and one-fifth of a warrant. **Price**—To be supplied by amendment. **Business**—The distribution and retail sale of phonograph records. **Proceeds**—For the repayment of loans and for working capital. To expand retail operations. **Office**—1905 Kerrigan Avenue, Union City, N. J. **Underwriter**—A. T. Brod & Co., New York City (managing).

National Radiac, Inc.
April 24, 1961 (letter of notification) 75,000 shares of common stock (no par). **Price**—$4 per share. **Business**—The manufacture of organic and inorganic scintillators for the detection and measurement of ionizing radiation. The company also produces the high quality crystals which serve as integral components of the detection instruments. **Proceeds** — For working capital and general corporate purposes. **Address** — Newark, N. J. **Underwriter**—Hardy & Hardy, New York, N. Y.

National Semiconductor Corp.
May 11, 1961 filed 75,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters** — Lee Higginson Corp., New York City and Piper, Jaffray & Hopwood, Minneapolis (managing).

New York Trap Rock Corp.
May 19, 1961 filed 175,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The quarrying, processing and marketing of crushed stone. **Proceeds**—For expansion. **Office**—162 Old Mill Road, West Nyack, N. Y. **Underwriter**—Smith, Barney & Co., New York City (managing).

Nissen Trampoline Co.
May 4, 1961 (letter of notification) 9,400 shares of common stock (par $1). **Price**—At the market. **Proceeds**—For the selling stockholders. **Office**—930 27th Ave., S.W., Cedar Rapids, Iowa. **Underwriter** — Yates, Heitner & Woods, St. Louis, Mo.

• Nitrogen Oil Well Service Co.
May 22, 1961 filed 100,000 shares of common stock. **Prices**—$10 per share for 51,000 shares to be offered to Big Three Welding Company; $10 per share for not less than 24,500 shares to be offered to holders (other than Big Three) of the outstanding common on the basis of one new share for each 1⅓ shares held; and $10.60 per any unsubscribed shares. **Business**—The company furnishes high pressure nitrogen to the oil and gas industry. **Proceeds**—For general corporate purposes, including $880,000 for the purchase of 20 additional liquid nitrogen high pressure pumping units. **Office**—3602 W. 11th St., Houston, Texas. **Underwriter** — Underwood, Neuhaus & Co., Inc., Houston, Texas.

North Electric Co.
March 30, 1961 filed 22,415 shares of common stock to be offered for subscription by stockholders of record May 15. **Price**—To be supplied by amendment. **Business**—This subsidiary of L. M. Ericsson Telephone Co. of Stockholm, Sweden, manufactures telecommunications equipment, remote control systems, electromechanical and electronic components, and power supply assemblies. **Proceeds**—To repay loans and for working capital. **Office**—553 South Market Street, Galion, Ohio. **Underwriter**—None.

• Northern Illinois Gas Co. (6/22-7/11)
May 24, 1961 filed 450,037 shares of common stock to be offered for subscription by stockholders on the basis of one new share for each 16 shares held of record June 22. with rights to expire July 11. **Price**—To be supplied by amendment. **Proceeds**—For construction. **Office**—50 Fox St., Aurora, Ill. **Underwriters** — First Boston Corp., and Glore, Forgan & Co., both of New York City.

Oceanarium, Inc.
May 29, 1961 filed 125,000 shares of common stock, of which 62,500 shares are to be offered for public sale by the company and 62,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company operates "Marineland of the Pacific," an exhibition of fish and trained aquatic animals, near Los Angeles, Calif. **Proceeds**—For working capital. **Office**—Marineland, Los Angeles County, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

Ohio-Franklin Fund, Inc.
Feb. 3, 1961 filed 2,000,000 shares of common stock to be offered to investors through a tax-free exchange of shares for securities of a selected list of companies. **Exchange Price**—Net asset value (expected to be $10 per share). **Business**—A new fund which provides a medium through which holders of blocks of securities may obtain diversification and continuous professional investment management without incurring Federal capital gains tax liability upon the exchange. **Proceeds**—For investment. **Office**—51 North High Street, Columbus, Ohio. **Distributor**—The Ohio Co., Columbus, Ohio.

Old Empire, Inc.
May 1, 1961 filed $700,000 of convertible subordinated debentures due 1971. **Price** — At par. **Business** — The manufacture, packaging and distribution of cosmetics, pharmaceuticals and household, chemical and industrial specialties. **Proceeds**—For the repayment of bank loans, property improvements and working capital. **Office**—865 Mt. Prospect Avenue, Newark, N. J. **Underwriter**—Laird, Bissell & Meeds, Wilmington, Del.

Olson Co. of Sarasota, Inc.
April 26, 1961 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To repay loans, purchase equipment and raw materials and for working capital. **Address**—P. O. Box 2430, Sarasota, Fla. **Underwriter**—None.

One Maiden Lane Fund, Inc.
April 7, 1961 filed 300,000 shares of common stock. **Price**—$3 per share. **Business**—This is a new mutual fund which will hold only convertible debentures and U. S. Treasury bonds. **Proceeds**—For investment. **Office**—One Maiden Lane, New York City. **Underwriter**—G. F. Nicholls & Co., Inc., New York City. **Offering** — Expected about mid-June.

Ormont Drug & Chemical Co., Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of drugs. **Proceeds**—For expansion, and working capital. **Office**—38-01 23rd Ave., Long Island City, N. Y. **Underwriter**—Havener Securities Corp., New York, N. Y.

★ Outdoor Development Co., Inc.
May 25, 1961 filed $2,705,000 of subordinated debentures due June 1, 1976, warrants to purchase 108,200 shares of common stock, and 324,600 shares of common stock to be offered for public sale in 54,100 units, each consisting of $50 of debentures with an attached warrant to purchase two common shares, and six shares of common. **Price**—To be supplied by amendment. **Business**—The construction, sale and financing of shell homes. **Proceeds**—To repay debt; establish a branch sales office, and for working capital. **Office**—Walden Drive, Augusta, Ga. **Underwriter**—Granbery, Marache & Co., New York City.

★ Pacific Gas & Electric Co. (6/13)
May 24, 1961 filed 896,470 shares of common stock, to be offered for subscription by stockholders on the basis of one new share for each 20 shares held of record June 13, with rights to expire July 5. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans, and for construction. **Office**—245 Market St., San Francisco, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

★ Packer's Super Markets, Inc.
May 25, 1961 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The operation of 22 retail self-service food stores in the New York City area. **Proceeds** — For general corporate purposes. **Office** — 25 53rd St., Brooklyn, N. Y. **Underwriters** — Milton D. Blauner & Co., Inc., and M. L. Lee Co., Inc., both of New York City (managing).

Panacolor, Inc. (6/5)
Feb. 24, 1961 filed 200,000 shares of common stock (par 20 cents). **Price—$4 per share. Business**—The company plans to engage in the business of developing and printing color film primarily for the motion picture and television industries. **Proceeds**—For the construction of two machines to print color film by the Panacolor Process; for sales promotion, market development and officers' salaries; for mortgage and interest payments; and for working capital. **Office—6660 Santa Monica Blvd., Hollywood, Calif. Underwriter** — Federman, Stonehill & Co., New York City (managing).

Pan American Resources, Inc.
May 11, 1961 (letter of notification) 40,000 shares of common stock (par $1). **Price**—$7 per share. **Office**—600 Glendale Federal Bldg., Glendale 3, Calif. **Underwriter**—Fred Martin & Co., 1101 Woodland Dr., Norman, Okla.

★ Patent Resources, Inc.
May 24, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized in November 1960 to acquire, exploit and develop patents, and to assist inventors in developing and marketing their inventions. **Proceeds**—For general corporate purposes. **Office** — 608 Fifth Ave., New York City. **Underwriters**—N. A. Hart & Co., Bayside, N. Y., Darius, Inc., New York City and E. J. Roberts & Co., Inc., Ridgewood, N. J.

Peninsula Publishing & Printing Corp.
April 27, 1961 (letter of notification) 57,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Newspaper publishers. **Proceeds**—For sales promotion; construction of a storage building; repayment of a loan and working capital. **Office** — 379 Central Ave., Lawrence, L. I., N. Y. **Underwriter**—Arnold, Wilkens & Co., New York, N. Y.

Pennsylvania Electric Co. (6/5)
March 28, 1961 filed $12,000,000 of debentures, due 1986. **Office**—222 Levergood Street, Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. The company has never before issued debentures. However, the following underwriters bid on the last issue of bonds: Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Bids**—To be received at 80 Pine Street, 37th floor, on June 5 at noon (DST). **Information Meeting**—To be held at the above address on June 2 at 10 a.m. (DST).

Perini Corp.
March 30, 1961 filed 1,451,998 shares of common stock (par $1), of which 1,350,000 are to be offered for public sale by the company, and 101,998 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company is engaged in the construction and general contracting business in the U. S. and Canada and recently entered the real estate development field. In addition it will control and operate the National League Baseball Club of Milwaukee, Inc. **Proceeds**—To repay loans and for general corporate purposes. **Office** — 73 Mt. Wayte Ave., Framingham, Mass. **Underwriters**—F. S. Moseley & Co., Boston, Mass., and Paine, Webber, Jackson & Curtis, New York City.

Permian Corp. (6/12-16)
April 28, 1961 filed 285,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The marketing of crude oil. **Proceeds**—For general corporate purposes. **Office** — 611 West Texas Street, Midland, Texas. **Underwriters**—Lehman Brothers and Shearson, Hammill & Co., both of New York City (managing).

★ Philadelphia Laboratories, Inc.
May 26, 1961 filed 75,000 shares of common stock. **Price**—$8 per share. **Business**—The development, manufacture and sale of pharmaceuticals, vitamins and veterinary products. **Proceeds** — For the repayment of debt, and other corporate purposes. **Office** — 400 Green Street, Philadelphia, Pa. **Underwriter** — Woodcock, Moyer, Fricke & French, Inc., Philadelphia.

Photronics Corp. (6/15)
Feb. 24, 1961 filed 150,000 shares of common stock (par 10 cents), to be offered for subscription by stockholders on the basis of three new shares for each four shares held. **Price**—To be supplied by amendment. **Business**—The design, development and manufacture of optical and electro-optical systems and components used in aerial reconnaissance, photo-interpretation, photo-grammetry and optical scanning devices. **Proceeds** — For working capital, research and development, and new equipment. **Office**—134-08 36th Road, Flushing, N. Y. **Underwriter**—L. D. Sherman & Co., New York City.

• Pickwick Organization, Inc.
May 23, 1961 filed 110,000 shares of common stock. **Price**—$5 per share. **Business**—The company is engaged in the real estate and construction business. **Proceeds**—Net proceeds, estimated at $444,000, will be used to buy land for shell homes construction and to start building the homes ($175,000), to repay a bank note ($65,000), with the balance for working capital. **Office**—Huntington Station, New York. **Underwriters**—Theodore Arrin & Co., Inc., Katzenberg, Sour & Co., and Underhill Securities Corp., all of New York City.

Pickwick Recreation Center, Inc.
April 21, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To pay for construction, working capital and, general corporate purposes. **Office**—921-1001 Riverside Drive, Burbank, Calif. **Underwriter**—Fairman & Co., Los Angeles, Calif.

Pilgrim Helicopter Services, Inc.
April 25, 1961 (letter of notification) 16,000 shares of common stock (par $1). **Price**—$5.50 per share. **Proceeds**—For general corporate purposes. **Office** — Investment Bldg., Washington, D. C. **Underwriter** — Sade & Co., Washington, D. C.

Plasticon Corp.
May 8, 1961 filed 665,666 shares of common stock, of which 90,666 shares are to be publicly offered, 25,000 shares are to be offered to Leyghton-Paige Corp., 150,000 shares are to be offered to Leyghton-Paige stockholders on the basis of one Plasticon share for each three Leyghton-Paige shares held, and 400,000 shares are to be offered to holders of the company's $1,200,000 of 5% promissory notes. **Price** — $3 per share, in all cases. **Business**—The manufacture of large plastic containers. **Proceeds**—To discharge the indebtedness represented by Plasticon's 5% promissory notes, with the balance for more equipment and facilities. **Office** — Minneapolis, Minn. **Underwriter**—None.

★ Platt Corp.
May 29, 1961 filed 150,000 shares of class A stock. **Price**—$5 per share. **Proceeds**—For investment in real estate properties and other corporate purposes. **Office**—New York City. **Underwriter**—None.

★ Polymetric Devices Co.
May 24, 1961 filed 90,000 shares of common stock. **Price**—$3.75 per share. **Business**—The company sells devices for the measurement or control of pressure, temperature, torque, acceleration, displacement, strain and force. **Proceeds**—For working capital. **Office**—130 South Easton Rd., Glenside, Pa. **Underwriter** — Weil & Co., Inc., Washington, D. C.

Power Designs Inc.
March 31, 1961 filed 500,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The design, manufacture and sale of power supply equipment for the conversion of commercial AC power. **Proceeds**—To repay loans, for expansion and working capital. **Office**—1700 Shames Drive, Westbury, N. Y. **Underwriter** — Pistell, Crow, Inc., New York City.

Precision Specialties, Inc.
May 15, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture of precision instruments. **Proceeds**—To repay loans for construction, purchase of equipment; research and development, and working capital. **Office**—Hurffville, N. J. **Underwriter**—Harrison & Co., Philadelphia, Pa.

• Public Service Electric & Gas Co. (6/7)
May 18, 1961 filed 900,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and for construction. **Office**—80 Park Place, Newark, N. J. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

Q-Line Instrument Corp.
May 8, 1961 (letter of notification) 65,000 shares of common stock (par one cent). **Price**—$4 per share. **Business**—The manufacturers of technical equipment. **Proceeds**—For relocation of business; new equipment; expansion, and working capital. **Office** — 1562-61st St., Brooklyn, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

RMS Electronics, Inc.
April 12, 1961 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Business**—The manufacture of television and FM radio antennae. **Proceeds**—For general corporate purposes. **Address**—2016 Bronxdale Ave., Bronx, N. Y. **Underwriter**—Martinelli & Co., New York, N. Y.

• Ram Electronics, Inc. (6/12-16)
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter**—General Securities Co., Inc., 101 West 57th St., New York City.

★ Real Estate Investing Association, Inc.
May 22, 1961 filed $50,000,000 series A 6% 20-year participating notes to be issued in 2,000 units of $25,000 each. **Price**—At 100% of principal amount. **Business**—The company was organized in February 1961 to invest in first mortgages on income producing properties and in land on which buildings have been erected. **Proceeds**—For investment. **Office**—60 East 42nd St., New York City. **Underwriter**—None.

• Real Estate Investment Trust of America (6/12-16)
March 31, 1961 filed 500,000 shares of beneficial interest in the Trust. **Price**—To be supplied by amendment. **Business**—The Trust which was organized in 1955 to acquire the assets of three Massachusetts business trusts now holds real estate properties in 12 states and the District of Columbia. **Proceeds** — For investment. **Office** — 294 Washington St., Boston, Mass. **Underwriters** — Paine, Webber, Jackson & Curtis; Kidder, Peabody & Co., and Lee Higginson Corp., all of New York City.

Recco, Inc.
April 17, 1961 (letter of notification)) 60,000 shares of class A common stock (par one cent). **Price**—$5 per

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share. **Proceeds**—To open a new licensed department in 1961. **Office**—1211 Walnut St., Kansas City, Mo. **Underwriter**—Midland Securities Co., Kansas City, Mo.

Recreation Enterprises, Inc. (6/26-30)
March 16, 1961 filed 110,000 units of common stock and warrants, each unit to consist of one share of class A common and two common stock purchase warrants for the purchase of class A common (one exercisable at $5.50 per share for 18 months and the other at $6 per share within 36 months). **Price**—$5 per unit. **Business**—The company plans to operate a chain of bowling alleys in the midwestern states, initially in Missouri and Kansas. **Proceeds**—For the building of bowling centers. **Office**—6000 Independence Ave., Kansas City, Mo. **Underwriter**—I. M. Simon & Co., St. Louis, Mo.

Reher Simmons Research Inc.
May 8, 1961 filed 150,000 shares of capital stock. **Price**—$6 per share. **Business**—The research and development of processes in the field of surface and biochemistry. **Proceeds**—For plant construction, equipment, research and development, sales promotion and working capital. **Office**—545 Broad St., Bridgeport, Conn. **Underwriter**—McLaughlin, Kaufmann & Co., New York City (managing).

● **Renaire Foods, Inc. (6/5)**
March 30, 1961 filed $600,000 of debentures, 6½% convertible series due 1976, to be offered for public sale by the company and 125,000 shares of common stock, (par $1) of which 100,000 shares are to be offered for sale by the company and 25,000 outstanding shares by the present holders thereof. **Price**—At 100% of principal amount for the debentures and $6 per share for the stock. **Business**—The retail distribution of food freezers, frozen foods, groceries, vitamins, proprietary medicines and sundries, principally in the Philadelphia and Baltimore trading areas. **Proceeds**—For construction, the purchase of installment contracts resulting from the sales of food and freezers, and for working capital. **Office**—770 Baltimore Pike, Springfield, Pa. **Underwriter**—P. W. Brooks & Co., Inc., New York City.

Ripley Co., Inc.
May 19, 1961 filed 82,500 shares of common stock, of which 25,000 shares are to be offered for public sale by the company and 57,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of photoelectric street light controls, centrifugal blowers and other electronic equipment. **Proceeds**—For new product development. **Office**—One Factory Street, Middletown, Conn. **Underwriter** — Dominick & Dominick, New York City (managing).

Rockower Brothers, Inc.
May 1, 1961 filed 140,000 outstanding shares of common stock (par 30 cents) to be offered for public sale by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The retail sale of men's and boys' clothing. **Proceeds**—For the selling stockholders. **Office**—160 West Lehigh Avenue, Philadelphia. **Underwriter**—Drexel & Co., Philadelphia.

★ **Rorer (William H.), Inc.**
May 24, 1961 filed 130,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of pharmaceuticals. **Proceeds** — For the account of the selling stockholders. **Office** — 4865 Stenton Ave., Philadelphia, Pa. **Underwriters**—Kidder, Peabody & Co., New York City and Schmidt, Roberts & Parke, Philadelphia(managing).

★ **Rowan Controller Co.**
May 29, 1961 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of debt and product expansion. **Office**—Baltimore, Md. **Underwriter**—Stern Bros. & Boyce, Baltimore, Md.

● **Ruth Outdoor Advertising Co., Inc. (6/5 9)**
March 10, 1961 (letter of notification) 80,000 shares of class A stock (par 10 cents). **Price**—$3 per share. **Business**—Outdoor advertising. **Proceeds**—For general corporate purposes. **Address** — R. D. No. 2, Albany, N. Y. **Underwriter**—Lewis & Stoehr, New York, N. Y.

St. Louis Capital, Inc. (6/5-9)
April 11, 1961 filed 750,000 shares of common stock (par $1). **Price**—$10 per share. **Business**—A new small business investment company. **Proceeds** — For investment. **Office**—611 Olive St., St. Louis, Mo. **Underwriters**—Hornblower & Weeks, New York City and I. M. Simon & Co., St. Louis (co-managers).

● **Schneider (Walter J.) Corp. (6/16)**
March 30, 1961 filed 120,000 shares of class A common (par 10 cents). **Price**—$5 per share. **Business**—Organized on March 24, 1961, the company plans to engage in the real estate business and allied activities. **Proceeds**—For general corporate purposes. **Office**—67 West 44th Street, New York City. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

Science Capital Corp.
May 9, 1961 filed 450,000 shares of common stock. **Price**—$8 per share. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Juniper & Walnut Sts., Philadelphia, Pa. **Underwriters**—Blair & Co., Inc., New York City; Stroud & Co., Inc., and Woodcock, Moyer, Fricke & French, Philadelphia, Pa.

Scope, Inc.
March 28, 1961 filed 75,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The research and development of projects for agencies of the U. S. Government. **Proceeds**—For the repayment of debt, production and marketing of new products, and for working capital. **Office**—121 Fairfax Drive, Falls Church, Va. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C. **Offering**—Imminent.

Seaboard Electronic Corp. (7/3)
April 26, 1961 filed 100,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—$5.50 per share. **Business**—The manufacture of warning signals, control boxes, intervalometers and related equipment for aircraft and missile application. **Proceeds**—For the selling stockholders. **Office**—417 Canal Street, New York City. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Search Investments Corp. (6/12)
Jan. 4, 1961 filed 1,000,000 shares of common stock. **Price**—$1 per share. **Business**—A non-diversified closed-end investment company. **Proceeds** — For working capital and for investments. **Office**—1620 Rand Tower, Minneapolis, Minn. **Underwriter**—None.

Securities Credit Corp.
Jan. 27, 1961 filed $3,000,000 of 6% series A subordinated debentures. **Price** — 100% of principal amount. **Business**—The company and its subsidiaries are engaged in the retail financing of new and used automobiles, mobile homes, appliances, furniture and farm equipment for purchasers, and the wholesale financing of dealers' inventories of such automobiles and direct lending to consumers, and the writing of automobile, credit life, and other types of insurance. **Proceeds**—For working capital. **Office**—1100 Bannock Street, Denver, Colo. **Underwriter**—None.

Security Acceptance Corp.
March 7, 1961 filed 100,000 shares of class A common stock and $400,000 of 7½% 10-year debenture bonds, to be offered in units consisting of $100 of debentures and 25 shares of stock. **Price**—$200 per unit. **Business**—The purchase of conditional sales contracts on home appliances. **Proceeds** — For working capital and expansion. **Office**—724 9th St., N. W., Washington, D. C. **Underwriter**—None.

Servonic Instruments, Inc.
April 26, 1961 filed 95,000 shares of no par common stock, of which 50,000 shares are to be offered for public sale by the company and 45,000 shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The research, design, development, manufacture and sale of precision devices consisting primarily of electromechanical transducers, for a variety of military, industrial and scientific uses. **Proceeds**—For new equipment, plant expansion and working capital. **Office**—1644 Whittier, Calif. **Underwriter** — C. E. Unterberg, Towbin Co., New York City.

Shasta Minerals & Chemical Co.
April 24, 1961 filed 500,000 shares of common stock. **Price**—$2.50 per share. **Business**—Acquisition, development, and exploration of mining properties. **Proceeds**—For general corporate purposes. **Office** — 1406 Walker Bank Bldg., Salt Lake City, Utah. **Underwriter**—None.

★ **Shelley Urethane Industries, Inc.**
May 24, 1961 filed 200,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The manufacture, converting and distribution of urethane foam products to industry. **Proceeds** — For expansion, new equipment, repayment of debt, and working capital. **Office**—4542 East Dunham St., City of Commerce, Calif. **Underwriter** — Garat & Polonitza, Inc., Los Angeles (managing).

Shepard Airtronics, Inc.
April 26, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price** — $4 per share. **Business**—The manufacture of high altitude breathing and ventilation equipment. **Proceeds**—For repayment of loans; new equipment, research and development, plant improvement, purchase of inventory, advertising and working capital. **Office** — 787 Bruckner Boulevard, Bronx, N. Y. **Underwriter**—L. C. Wegard & Co., 28 West State St., Trenton, N. J.

Sherman Co.
March 29, 1961 filed 1,096 of limited partnership shares **Price** — $5,000 per unit. **Business** — The company was formed on March 15, 1961 to acquire the Hotel Sherman in Chicago. **Proceeds**—To purchase the above property. **Office**—10 E. 40th Street, New York City. **Underwriter**—None.

Sica Skiffs, Inc.
April 19, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of "sea skiffs" a type of inboard motor boat. **Proceeds**—For the repayment of debt, the development of retail outlets, property improvement, and working capital. **Office**—Toms River, N. J. **Underwriter**—Warner, Jennings, Mandel & Longstreth, Philadelphia (managing). **Offering**—Expected in early July.

Slater Electric Inc.
May 18, 1961 filed 150,000 shares of class A stock, of which 100,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture of electrical equipment, principally wiring devices and lighting controls used in industrial, commercial and residential buildings. **Proceeds**—To reduce outstanding loans, purchase additional equipment, and for working capital. **Office**—45 Sea Cliff Avenue, Glen Cove, L. I., N. Y. **Underwriter**—C. E. Unterberg, Towbin Co., New York City (managing).

● **Sony Corp. (6/7)**
April 28, 1961 filed 2,000,000 shares of common stock (par 50 yen). The underwriters will deliver to purchasers, ADR's evidencing American Depositary Shares (each representing 10 shares of Sony common). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of transistorized radio and television receivers, magnetic tape recorders and other electronic equipment. **Proceeds** — For expansion. **Office** — Tokyo, Japan. **Underwriters**—Smith, Barney & Co., and The Nomura Securities Co., Ltd., both of New York City.

Sony Corp.
May 3, 1961 filed 798,200 shares of common stock (par 50 yen) to be offered for subscription by common stockholders resident in the U. S., on the basis of one new share for each share held of record March 1. **Price**—At par (about 14 cents). **Business** — The manufacture and sale of transistorized radio and television receivers, magnetic tape recorders and other electronic equipment. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriter**—None.

● **Southeastern Capital Corp.**
May 16, 1961 filed 500,000 shares of common stock (par $1). **Price**—$12.50 per share. **Business**—A small business investment company. **Proceeds** — For investment. **Office**—Life & Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

★ **Southern American Fire Insurance Co.**
May 19, 1961 (letter of notification) 23,500 shares of common stock (par $4). **Price**—$10 per share. **Office**—c/o Guilmartin, Bartel & Ashman, 1527 Alfred I. du Pont Building, Miami, Fla. **Underwriters**—Beil & Hough, Inc., St. Petersburg, Fla.; Nolting, Nichol & O'Donnell, Inc., Pensacola, Fla.; Sterling, Grace & Co., New York City.

★ **Southern Discount Co.**
May 24, 1961 (letter of notification) $95,000 of 5% subordinated debentures (series G) to be offered in denominations of $500 and $1,000 due Oct. 1, 1975. **Price**—At par. **Office**—919 W. Peachtree Street, N. E., Atlanta, Ga. **Underwriter**—None.

Southern Electric Generating Co. (6/15)
May 8, 1961 filed $20,000,000 of first mortgage bonds due June 1, 1992. **Proceeds**—For construction. **Office**—600 North 18th Street, Birmingham, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Blyth & Co., Inc. (jointly); Morgan Stanley & Co.; White, Weld & Co., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co.; Equitable Securities Corp., and Drexel & Co., (jointly); First Boston Corp. **Bids**—To be received June 15 at 11 a.m. (DST) in Room 1600, 250 Park Avenue, New York City. **Information Meeting**—Scheduled for June 12 at 3 p.m., (DST) on 5th floor of 55 Wall Street, New York City.

★ **Southern Realty & Utilities Corp.**
May 26, 1961 filed $3,140,000 of 6% convertible debentures due 1976, with warrants to purchase 31,400 common shares, to be offered for public sale in units of $500 of debentures and warrants for five common shares. **Price**—At 100% of principal amount. **Business**—The development of unimproved land in Florida. **Proceeds**—For the repayment of debt, the development of property, working capital and other corporate purposes. **Office**—1674 Meridian Avenue, Miami Beach, Fla. **Underwriters** — Hirsch & Co., and Lee Higginson Corp., both of New York City (managing).

Southland Life Insurance Co. (6/5-9)
March 28, 1961 filed 80,000 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—To purchase the 55% of the outstanding common stock of Carolina Life Insurance Co. not heretofore owned by the issuer. **Office**—Dallas, Texas. **Underwriter**—Equitable Securities Corp., Nashville, Tenn. (managing).

★ **Southwestern States Telephone Co.**
May 29, 1961 filed 110,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For construction. **Office**—300 Montgomery St., San Francisco, Calif. **Underwriter**—Dean Witter & Co., San Francisco (managing).

● **Special Metals, Inc. (6/28)**
May 16, 1961 filed $2,636,250 principal amount of 6% subordinated debentures due July 1, 1976 and 159,375 shares of common stock (par $2) to be offered for public sale in units of $50 of debentures and three common shares. **Price**—To be supplied by amendment. **Business**—The company has contracted to buy the Metals Division of Kelsey-Hayes Co., and will produce special high temperature metal alloys by vacuum melting for use in jet aircraft engines. **Proceeds**—To repay a bank loan. **Office** — New Hartford, N. Y. **Underwriters** — White, Weld & Co., Inc., and Lehman Brothers, both of New York City (managing).

● **Speed-O-Print Business Machines Corp.**
May 24, 1961 filed 125,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company manufactures and sells office copy-making machines and accessories. **Proceeds** — To pay off notes in the amount of $422,816, with the balance for general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Rodman & Renshaw, Chicago, Ill. (managing).

Spencer Laboratories, Inc.
May 1, 1961 (letter of notification) 1,624 shares of class A common stock (no par) to be offered for subscription by stockholders on the basis of four shares for each five shares held, with the unsubscribed shares to be sold to the public. **Price**—To stockholders, $100 per share; to the public, $110 per share. **Business**—Manufacturers of Pharmaceuticals. **Proceeds** — For testing new products, inventories; marketing and general corporate purposes. **Office**—10 Pine St., Morristown, N. J. **Underwriter**—E. T. Andrews & Co., Hartford, Conn.

Standard Brands Paint Co.
May 2, 1961 filed 265,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and direct retail sale of paints, enamels, varnishes and allied products in the Southern California area. **Proceeds**—For the repayment of debt, the retirement of outstanding 8% debentures and for expansion. **Office** — 4300 W. 190th St., Torrance, Calif. **Underwriters**—Sutro Bros. & Co., and Allen & Co., both of New York City (managing). **Offering**—Expected in June.

Standard Security Life Insurance Co. of N. Y.
March 27, 1961 filed 162,000 shares of common stock to be offered for subscription by holders of common and class A stock on the basis of two new shares for each five shares held. **Price** — To be supplied by amendment. **Business**—The writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—111 Fifth Avenue, New York City. **Underwriter**—None.

State Loan & Finance Corp.
May 18, 1961 filed $25,000,000 of sinking fund debentures due 1981. **Price**—To be supplied by amendment. **Business**—Consumer finance. **Proceeds**—For the repayment of loans. **Office**—1200 18th Street, N. W., Washington, D. C. **Underwriters**—Johnston, Lemon & Co., Washington, D. C., and Eastman Dillon, Union Securities & Co., New York City (managing).

● **Stratton Corp. (6/16)**
March 3, 1961 filed $650,000 of 5% convertible subordinated debentures, due Dec. 1, 1981. **Price**—At 100% of principal amount. **Business**—The development and operation of a winter and summer recreational resort on Stratton Mountain in southern Vermont. **Proceeds**—For construction. **Office**—South Londonderry, Vt. **Underwriter**—Cooley & Co., Hartford, Conn.

Sun Valley Associates
March 30, 1961 (letter of notification) $205,000 of limited partnership interests to be offered in units of $5,000, or fractional units of not less than $2,500. **Proceeds**—For working capital. **Address** — Harlingen, Texas. **Underwriter**—First Realty Syndicators, 11 E. 44th Street, New York, N. Y.

Sunnyside Telephone Co.
April 13, 1961 (letter of notification) 87,664 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For a new building and equipment. **Address**—Clackamas, Oreg. **Underwriter**—June S. Jones Co., Portland, Oreg.

Super Food Services, Inc.
April 14, 1961 filed 60,000 shares of common stock (par one cent), of which 30,000 shares are to be offered for public sale by the company and 30,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries distribute food products to about 643 independently owned IGA retail grocery stores in Ohio, Florida, New York, New Jersey and Michigan. **Proceeds**—For working capital. **Office**—105 South LaSalle St., Chicago, Ill. **Underwriter** — Shearson, Hammill & Co., New York City (managing).

Supermarkets Operating Co.
May 10, 1961 filed 125,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The operation of a chain of "Shop-Rite" supermarkets and the production and marketing of "Huber's Sunbeam" bakery products. **Proceeds** — For working capital, and general corporate purposes. **Office**—1416 Morris Ave., Union, N. J. **Underwriters**—Robert Garrett & Sons, Baltimore, Md., and G. H. Walker & Co., New York City.

Superstition Mountain Enterprises, Inc. (7/10-14)
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

★ **Supronics Corp.**
May 29, 1961 filed 90,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and other corporate purposes. **Office**—Perth Amboy, N. J. **Underwriters**—Amos Treat & Co., Inc., and Standard Securities Corp., both of New York City and Bruno-Lenchner, Inc., Pittsburgh, Pa.

● **Survivors' Benefit Insurance Co. (7/3)**
March 30, 1961 filed 50,000 shares of common stock to be offered initially to stockholders and thereafter to policyholders, employees and company representatives. **Price**—$21.70 per share. **Business** — The company is qualified to write life insurance in the state of Missouri. **Proceeds**—For expansion of the business into other states and for reserves. **Office** — 4725 Wyandotte St., Kansas City, Mo. **Underwriter**—None.

Suval Industries Inc.
April 27, 1961 filed 125,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 25,000 outstanding shares by the present holders thereof. **Price**—$4 per share. **Business**—The manufacture of supported vinyl plastic sheeting for the automobile, furniture and clothing industries. **Proceeds**—For additional equipment, product expansion and working capital. **Office**—Cantiagua Road, Westbury, N. Y. **Underwriters** — Milton D. Blauner & Co., and Brukenfeld & Co., both of New York City. **Offering**—Expected about mid-June.

★ **T. V. Development Corp.**
May 26, 1961 filed 100,000 shares of common stock. **Price**—$5 per share. **Business**—The manufacture and sale of replacement knobs for television sets. **Proceeds**—For the repayment of debt, the expansion of product lines and working capital. **Office**—469 Jericho Turnpike, Mineola, N. Y. **Underwriters** — Kesselman & Co., and Brand, Grumet & Seigel Inc., both of New York City (managing).

Taddeo Bowling & Leasing Corp.
March 31, 1961 filed $600,000 of 8% convertible subordinated debentures due 1971, 125,000 shares of common stock and 50,000 class A warrants to purchase common stock to be offered for public sale in units consisting of $240 of debentures, 50 common shares and 20 warrants. **Price** — $640 per unit. **Business** — The construction of bowling centers. **Proceeds**—For construction and working capital. **Office**—873 Merchants Road, Rochester, N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing). **Offering**—Expected in June.

Taffet Electronics, Inc. (6/30)
April 28, 1961 filed 132,000 shares of common stock. **Price** — $3 per share. **Business** — The manufacture of electronic equipment, principally electronic test equipment, partial electronic systems and assemblies, and the fabrication of electronic components, for use primarily in the communications field. **Proceeds**—For additional equipment, capital improvements and working capital. **Office**—27-01 Brooklyn Queens Expressway, Woodside, N. Y. **Underwriters**—Fialkov & Co., Inc. (managing); Stanley Heller & Co., Amos Treat & Co., Inc., all of New York City.

★ **Taft Broadcasting Co.**
May 26, 1961 filed 376,369 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The operation of TV and radio broadcasting stations. **Proceeds**—For the selling stockholders. **Office**—1906 Highland Avenue, Cincinnati, Ohio. **Underwriter**—Harriman Ripley & Co., Inc., New York City (managing).

● **Tassette, Inc. (6/5)**
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price**—$12 per share. **Business**—The company was organized under Delaware law in 1959 to finance the exploitation and sale of "Tassette," a patented feminine hygiene aid. **Proceeds**—For advertising and promotion, market development, medical research and administrative expenses. **Office**—170 Atlantic St., Stamford, Conn.. **Underwriter**—Amos Treat & Co., Inc., New York City (managing); Bruno-Lenchner, Inc., Pittsburgh; and Karen Securities Corp., New York City.

Tax-Exempt Public Bond Trust Fund
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (10,000 units) ownership certificates. **Price**—To be filed by amendment. **Business**—The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subidivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle Street, Chicago, Ill. **Sponsor**—John Nuveen & Co., Chicago, Ill.

Templeton, Damroth Corp. (6/12-16)
March 30, 1961 filed $445,000 of 5½% convertible debentures, due 1969. **Price** — 100% of the principal amount. **Business** — The management and distribution of shares of four investment companies, and also private investment counselling. **Proceeds**—To increase the sales efforts of subsidiaries, to establish a new finance company, and for general corporate purposes. **Office**—630 Third Avenue, New York City. **Underwriter**—Hecker & Co., Philadelphia, Pa.

Tennessee Investors, Inc.
May 16, 1961 filed 500,000 shares of common stock to be publicly offered, and 4,206 common shares to be offered to holders of the outstanding common on the basis of one new share for each nine shares held. **Prices**—$12.50 per share for the public offering and $11.40 per share for the rights offering. **Business**—A small business investment company. **Proceeds** — To finance the company's activities of providing equity capital and long term loans to small business concerns. **Office**—Life and Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

● **Terry Industries, Inc. (6/16)**
Feb. 28, 1961 filed 1,728,337 shares of common stock of which 557,333 shares are to be offered for the account of the issuing company and 1,171,004 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—For the company's shares, to be related to A.S.E. prices at time of the offering. For the stockholders' shares, the price will be supplied by amendment. **Business** — The company, formerly Sentry Corp., is primarily a general contractor for heavy construction projects. **Proceeds**—The proceeds of the first 12,000 shares will go to Netherlands Trading Co. The balance of the proceeds will be used to pay past due legal and accounting bills, to reduce current indebtedness, and for working capital. **Office**—11-11 34th Ave., Long Island City, L. I., N. Y. **Underwriter** — (For the company's shares only) Greenfield & Co., Inc., New York City.

● **Thompson Ramo Wooldridge Inc.**
May 24, 1961 filed $25,000,000 of 25-year sinking fund debentures, due 1986. **Price**—To be supplied by amendment. **Business**—The research, manufacture, and sale of products in the missile, space, electronics and aircraft fields. **Proceeds** — For general funds, including debt reduction. **Office**—23555 Euclid Avenue, Cleveland, Ohio. **Underwriters**—Smith, Barney & Co., New York City and McDonald & Co., Cleveland, Ohio (managing). **Offering**—Expected in late June.

Thompson-Starrett Co., Inc.
March 29, 1961 filed 1,000 outstanding shares of $0.70 cumulative convertible preferred stock (par $10) and 1,172,243 outstanding shares of common stock to be offered for public sale by the holders thereof. **Price**—At the market. **Business**—The design, engineering and construction of an office building and research laboratory; and the assembling and distribution of radios, television sets and electric organs. **Proceeds**—For the selling stockholders. **Office** — 745 Fifth Avenue, New York City. **Underwriter**—None.

Thor Power Tool Co. (6/12-16)
April 19, 1961 filed $4,000,000 of subordinated convertible debentures due June 1, 1981. **Price**—To be supplied by amendment. **Business**—The manufacture of portable tools and other industrial products. **Proceeds**—To retire short-term bank loans. **Office** — 175 North State St., Aurora, Ill. **Underwriter**—Hornblower & Weeks, New York City (managing).

Toledo Plaza Limited Partnership (6/14)
April 7, 1961 filed $522,500 of interests in the partnership to be offered for public sale in 209 units. **Price**—$2,500 per unit. **Business**—The partnership was organized under Maryland law in April 1961 to acquire, develop and operate the Toledo Plaza apartment project in Prince George County, Md., scheduled for occupancy in May, 1961. **Proceeds**—For the purchase of the above property. **Office**—1411 K St., N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Tonka Toys, Inc.
May 22, 1961 filed 155,000 shares of common stock (par $1) of which 60,000 shares will be offered for public sale by the company and 95,000 shares by the selling stockholders. **Price**—To be supplied by amendment. **Business**—The manufacture and sale fo plastic and metal toys. **Proceeds**—For working capital. **Office**—Mound, Minn. **Underwriter**—Bache & Co., New York City (managing).

Tourist Industry Development Corp. Ltd.
March 29, 1961 filed $2,000,000 of 7% subordinated debenture stock due 1981, convertible into class B ordinary stock. **Price**—100% of principal amount. **Business**—The company was organized in 1957 for the purpose of financing tourist enterprises in Israel. **Proceeds**—To repay advances from the State of Israel and to make loans to various enterprises such as hotels, restaurants and transport industries. **Office**—Jerusalem, Israel. **Underwriter**—None.

Trans World Airlines, Inc.
March 30, 1961 filed $111,235,900 of 6½% subordinated income debentures, due 1978, with warrants being offered for subscription by stockholders on the basis of $100 principal amount of debentures for each 6 common shares held of record May 25, with rights to expire June 8. **Price**—At 100% of Principal amount. **Proceeds**—For repayment of debt and general corporate purposes. **Office**—380 Madison Ave., New York City. **Underwriter**—None. Hughes Tool Co., which owns voting trust certificates representing 78.23% of the company's outstanding stock, has agreed to purchase enough of the unsubscribed for debentures, if any, to provide the company with at least $100,000,000.

★ **Transcontinent Television Corp.**
May 25, 1961 filed 400,000 outstanding shares of class B common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The operation of six television and seven radio broadcasting stations. **Proceeds**—For the selling stockholders. **Office** — 70 Niagara St., Buffalo, N. Y. **Underwriters**—Carl M. Loeb, Rhoades & Co., and Bear, Stearns & Co., both of New York City (managing).

Transcontinental Investment Co.
March 15, 1961 (letter of notification) 120,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—For advances to subsidiaries. **Office**—278 S. Main Street, Salt Lake City, Utah. **Underwriter**—Continental Securities Corp., 627 Continental Bank Building, Salt Lake City, Utah.

Trebor Oil Co. Ltd.
May 1, 1961 filed $150,000 of limited partnership interests to be offered for public sale in 150 units. **Price**—$1,000 per unit. **Proceeds**—For the acquisition of oil leases and the development of, thereof. **Office**—213 First National Bank Building, Abilene, Texas. **Underwriter**—None.

Triangle Instrument Co. (6/13)
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture of precision instruments and components. **Proceeds**—For equipment, inventory, the repayment of debt, and working capital. **Office**—Oak Drive and Cedar Place, Syosset, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York City.

Tungsten Mountain Mining Co.
April 7, 1961 (letter of notification) 400,000 shares of common stock (par 25 cents). **Price** — 62½ cents per share. **Proceeds**—For mining expenses. **Office**—511 Securities Bldg., Seattle, Wash. **Underwriter**—H. P. Pratt & Co., Inc., Seattle, Wash.

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Turbodyne Corp.
May 10, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business** — The research, development, manufacturing and marketing of space and rocket engines, and related activities. **Proceeds**—For research and development, and working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

Union Oil Co. of California (6/21)
May 18, 1961 filed $60,000,000 of debentures due June 1, 1986 and $60,000,000 of convertible subordinated debentures due June 1, 1991. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of the outstanding $120,000,000 3¼% convertible subordinate debentures due April 1, 1981. **Office**—Union Oil Center, Los Angeles, Calif. **Underwriter**—Dillon, Read & Co., Inc., New York City (managing).

● Union Tank Car Co. (6/5-9)
April 28, 1961 filed $40,000,000 of sinking fund debentures due Aug. 1, 1986. **Business**—The furnishing of railway tanks cars to shippers of petroleum products and other liquids. **Proceeds**—For the retirement of a bank loan. **Office**—228 N. La Salle Street, Chicago, Ill. **Underwriters**—Smith, Barney & Co. Inc., and Blunt Ellis & Simmons, Chicago (managing).

United Electro Plastics Corp.
May 15, 1961 (letter of notification) 250,000 shares of common stock (par 10 cents). **Price**—$1.15 per share. **Office**—510 First Ave. N., Minneapolis, Minn. **Underwriter**—None.

★ United Foods, Inc.
May 25, 1961 filed 125,000 shares of common stock. **Price**—$8.50 per share. **Business**—The storing of grain for a U. S. Government agency; cold storage warehousing; the freezing, packaging and marketing of vegetables; the freezing and packaging of shrimp; the feeding and marketing of fattened cattle, and the operation of a small business financing company. **Proceeds**—For expansion and working capital. **Office**—1235 Shadowdale, Houston, Tex. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

★ United Investors Corp.
May 26, 1961 filed 76,109 shares of class A stock. **Price**—$10 per share. **Business**—The company plans to acquire 15 realty properties in eight states. **Proceeds**—For the repayment of debt, property acquisitions, and working capital. **Office**—60 E. 42nd Street, New York City. **Underwirter**—None.

U. S. Fiberglass Products Co.
April 27, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business**—The company plans to manufacture fiberglass shingles, beams, purlin and other materials. **Proceeds** — For working capital, inventory and equipment, and sales promotion. **Office** — Clarkville, Texas. **Underwriter**—Hauser, Murdock, Rippey & Co., Dallas, Texas.

U. S. Home & Development Corp.
May 11, 1961 filed 300,000 shares of class A capital stock. **Price**—To be supplied by amendment. **Business** — The planning, development and marketing of single-family-home communities in New Jersey. **Proceeds**—For the repayment of loans, purchase of land and development of properties. **Office** — 52 Neil Ave., Lakewood, N. J. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C., and New York City.

● U. S. Mfg. & Galvanizing Corp. (6/9)
Jan. 3, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To reduce current liabilities, sales promotion, purchase inventory, and for working capital. **Office**—5165 E. 11th Avenue, Hialeah, Fla. **Underwriter**—Armstrong & Co., Inc., 15 William St., New York, N. Y.

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo. **Offering**—Expected in the fall of 1961.

Universal Manufacturing Co. (6/15)
Feb. 23, 1961 (letter of notification) 135,000 shares of common stock (par 10 cents) of which 35,000 shares are to be offered for the account of the company and 100,000 outstanding shares, stock, by the selling stockholders **Price** — $2 per share. **Proceeds** — For working capital **Office**—516 W. 4th Street, Winona, Minn. **Underwriter**—Naftalin & Co., Inc., Minneapolis, Minn.

Vahlsing, Inc.
April 24, 1961 filed 300,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The company plans to acquire the business of F. H. Vahlsing, Inc., a Maine grower and shipper of potatoes and to operate a plant now being constructed for the processing of potatoes. **Proceeds**—For the repayment of debt and working capital. **Office** — Easton, Maine. **Underwriter**—Pistell, Crow, Inc., New York City (managing).

Varian Associates
May 1, 1961 filed 347,883 shares of capital stock to be offered for subscription by shareholders on the basis of one new share for each 10 shares held of record June 1 with rights to expire June 19. **Price**—To be supplied by amendment. **Business**—The design, manufacture and sale of microwave tubes, and electronic components and systems for military, commercial and industrial use. **Proceeds**—For a new plant, equipment, the repayment of bank loans and for working capital. **Office**—611 Hansen Way, Palo Alto, Calif. **Underwriter**—Dean Witter & Co., San Francisco (managing).

★ Vatronic Lab. Equipment, Inc.
May 29, 1961 filed 80,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For the repayment of debt, plant expansion, equipment, sales promotion and working capital. **Office** — Northport, N. Y. **Underwriter**—Stanley R. Ketcham & Co., New York City.

Vector Engineering, Inc.
March 3, 1961 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Business** — Provides engineering and design services. **Proceeds** — For general corporate purposes. **Office** — 155 Washington Street, Newark, N. J. **Underwriter**—Omega Securities Corp., New York, N. Y. **Note**—This statement has been withdrawn.

Versapak Film & Packaging Machinery Corp.
March 30, 1961 filed 150,000 shares of common stock and 150,000 five-year warrants, to be offered for public sale in units of one share of stock and one warrant. **Price**—$3.125 per unit. **Business**—The design, development and sale of versatile automatic equipment for packaging items in special heat-shrinkable film. **Proceeds**—To repay loans, for additional equipment and inventory; and for working capital. **Office**—928 Broadway, New York City. **Underwriters**—Hill, Thompson & Co. (managing); Hampstead Investing Corp., and Globus, Inc., all of New York City.

● Vic Tanny Enterprises, Inc. (7/3-7)
May 11, 1961 filed 320,000 shares of class A common stock (par 10 cents) of which 120,000 shares will be offered for the account of the company and 200,000 shares by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The operation of a national chain of gymnasiums and health centers for men and women. **Proceeds**—The company will use its part of the proceeds for the opening of new gymnasiums and the promotion of home exercise equipment. **Office**—375 Park Ave., New York City. **Underwriter**—S. D. Fuller & Co., New York City.

● Vinco Corp. (7/10-14)
May 19, 1961 filed $2,000,000 of 6% convertible subordinated debentures due 1976. **Price**—At 100% of principal amount. **Business**—The production of gauges and measuring instruments and the manufacture of precision parts and subassemblies for the aircraft, missile and other industries. **Proceeds**—For the repayment of debt, expansion, working capital and reserves for possible future acquisitions. **Office**—9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City (managing).

Virginia Chemicals & Smelting Co. (6/6)
April 18, 1961 filed 135,000 shares of common stock, of which 50,000 shares will be offered for the account of the company and 85,000 outstanding shares for the selling stockholders. **Price** — To be supplied by amendment. **Business**—The manufacture of industrial chemicals, refrigerants and aerosol insecticides. **Proceeds**—For expansion. **Office**—Norfolk, Va. **Underwriter**—White, Weld & Co., New York City (managing).

Virginia Electric & Power Co. (6/13)
May 12, 1961 filed $30,000,000 of first and refunding mortgage bonds, series Q, due June 1, 1991. **Proceeds**—For construction. **Office**—700 East Franklin St., Richmond, Va. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. **Bids**—To be received on June 13, 1961 at 11 a.m. (DST) on the 23rd floor of One Chase Manhattan Plaza, New York City. **Information Meeting**—Scheduled for June 8 at 11 a.m. (DST) at the above address.

★ Walter, (Jim) Corp.
May 18, 1961 filed $20,000,000 of first subordinated debentures due 1981 (with attached warrants to buy up to 80,000 common shares). **Price** — To be supplied by amendment. **Business**—The construction, and mortgage financing of shell homes. **Proceeds**—To reduce bank debt and finance the sale of additional homes. **Office**—1500 North Dale Mabry Highway, Tampa, Fla. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing).

Walter Sign Corp.
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture and installation of highway signs. **Proceeds**—For the reduction of debt, sales promotion, inventory and reserves. **Office**—4700 76th St., Elmhurst, L. I., N. Y. **Underwriter**—Amber, Burstein & Co., 40 Exchange Place, New York 5, N. Y.

● Waltham Watch Co.
March 9, 1961 refiled 100,000 shares of common stock (par $2.50) and $600,000 of 16-year convertible bonds (convertible into common at $6 per share), to be sold initially to stockholders in units of 25 shares of stock and $150 of debentures. **Price**—For the stock: about $8 per share; for the debentures: at par. **Business** — The importing, assembling, manufacturing and selling of watches and jewelry. **Proceeds** — For working capital. **Office**—231 South Jefferson St., Chicago, Ill. **Underwriter**—P. J. Gruber & Co., Inc. (managing); Underhill Securities Corp., and Peter Herbert & Co., Inc., all of New York City. **Offering**—Imminent.

Washington Real Estate Investment Trust
March 31, 1961 filed 600,000 shares of beneficial interest in the Trust. **Price**—$5 per share. **Business**—For investment in income producing real estate in the metropolitan Washington, D. C. area. **Proceeds**—For investment. **Office**—919 18th St., N. W., Washington, D. C. **Underwriters** — Ferris & Co., Washington, D. C. (managing). **Offering**—Expected in late June.

Watsco, Inc.
April 13, 1961 filed 155,000 shares of common stock, of which 135,000 shares are to be offered for public sale by the company and 20,000 outstanding shares by the present stockholder. **Price**—To be supplied by amendment. **Business**—The manufacture of valves, strainers and other products for the refrigeration and air conditioning industry. **Proceeds**—For construction; new equipment; advertising; salaries; the repayment of debt, and working capital. **Office**—1020 E. 15th St., Hialeah, Fla. **Underwriter**—Aetna Securities Corp., New York City (managing).

★ Wayne Manufacturing Co.
May 29, 1961 filed 40,000 outstanding shares of capital stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Office**—Pomona, Calif. **Underwriters**—Mitchum, Jones & Templeton, Los Angeles and Schwabacher & Co., San Francisco (managing).

Wej-It Expansion Products, Inc.
May 4, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For plant and facilities, moving equipment, inventory, working capital and repayment of a loan. **Office**—4 S. Santa Fe Dr., Denver, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

★ West Coast Bowling Corp.
May 26, 1961 filed 128,434 shares of common stock, of which 115,000 shares are to be offered for public sale by the company and 13,434 outstanding shares by the present holders thereof. **Price**—$9.75 per share. **Business**—The company plans to acquire and operate bowling centers primarily in California. **Proceeds**—For general corporate purposes. **Office**—3300 West Olive Avenue, Burbank, Calif. **Underwriter**—Hill Richards & Co. Inc., Los Angeles (managing).

Westbury Fashions, Inc.
May 10, 1961 filed 120,000 shares of common stock, of which 68,000 shares are to be offered for public sale by the company and 52,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The design, manufacture and sale of casual dresses for girls and women. **Proceeds**—For expansion, the repayment of loans, equipment, and working capital. **Office** — 1400 Broadway, New York City. **Underwriter** — McDonnell & Co., Inc., New York City (managing).

Western Factors, Inc.
June 29, 1960 filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

● Western Growth Corp. (6/19-23)
March 17, 1961 filed 202,107 shares of class A common stock (par 10 cents), of which 150,000 shares are to be offered for public sale by the company in units of 10 shares each; and 52,107 outstanding shares by selling stockholders after trading commences. **Price**—For the company's stock: $100 per unit. For the selling stockholder: At-the-Market. **Business**—The development of property in California for single-family homes, the investment in notes or contracts secured by single-family homes, and other phases of the real estate business. **Proceeds**—For ordinary expenses, repayment of loans and working capital. **Office**—636 North La Brea Ave., Los Angeles, Calif. **Underwriter**—Reese, Scheftel & Co., Inc., New York City.

Western Land Trust Fund
March 30, 1961 filed 200,000 shares of beneficial interest in the Fund. **Price** — $10 per share. **Business** — A closed-end real estate investment trust. **Proceeds**—For investment. **Office**—1031 First Western Bldg., Oakland, Calif. **Underwriter**—To be named.

● Williamhouse, Inc. (6/9)
March 27, 1961 filed 106,000 shares of common stock. **Price** — $6 per share. **Business** — The manufacture and sale of paper products including envelopes, announcements and advertising materials. **Proceeds**—To repay debt and for working capital. **Office**—185 Kent Avenue, Brooklyn, N. Y. **Underwriter**—Robert L. Ferman & Co., Inc., Miami, Fla.

Williams Brothers Co.
May 19, 1961 filed 350,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The construction of pipelines and other aspects of the heavy construction industry. **Proceeds**—For the selling stockholders. **Office**—National Bank of Tulsa Building, Tulsa, Okla. **Underwriter**—Reynolds & Co., Inc., New York City (managing).

Wilshire Insurance Co.
Feb. 17, 1961 filed 187,000 shares of common stock (par $2) being offered for subscription by stockholders on the basis of one new share for each share held of record April 14, with rights to expire June 16. **Price**—$5 per share. **Business**—The writing of workmen's compensation, common carrier liability and automobile (physical damage) insurance. **Proceeds**—To increase capital funds. **Office**—5413 West Washington Boulevard, Los Angeles, Calif. **Underwriter**—None.

Wolf Corp.
Feb. 15, 1961 filed 30,000 shares of class A stock. **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 and proposes to engage in the construction, investment and operation of real estate properties. **Proceeds**—For investment and working capital. **Office** — 10 East 40th St., New York City. **Underwriter**—None.

Wonderbowl, Inc.
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To discharge a contract payable, accounts payable, and notes payable and the balance for working capital. **Office**

—7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Standard Securities Corp., Los Angeles, Calif.

• World Color Press, Inc. (7/10-14)
May 16, 1961 filed 218,000 shares of common stock of which 203,000 shares will be offered to the public and 15,000 shares to employees. **Price**—To be supplied by amendment. **Business**—The printing of magazines and newspapers. **Proceeds**—To selling stockholders. **Office**—420 DeSoto Ave., St. Louis Mo. **Underwriters**—Scherck, Richter Co., and Dempsey-Tegeler & Co., both of St. Louis, Mo. (managing).

Wrather Corp.
March 29, 1961 filed 350,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company manufactures and sells Stephens power and sail boats, and various marine and sporting goods manufactured by others. It also plans to acquire the stock of Muzak Corp., Wrather Hotels, Inc., Wrather Realty Corp., Stephens Marine, Inc., and various television film properties. **Proceeds** — For construction, repayment of debt and working capital. **Office** — 270 North Canon Drive., Beverly Hills, Calif. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Expected in early June.

★ Yakima Valley Turf Club, Inc.
May 16, 1961 (letter of notification) 2,240 shares of no par common stock and $224,000 of certificates of indebtedness to be offered in units of (a) one common share and one $100 certificate or (b) 10 common shares and one $1,000 certificate. **Price**—(a) $110 or (b) $1,100. **Office**—Central Washington Fairgrounds, Yakima, Wash. **Underwriter** — Colopy, Elliott & Miller, Inc., Seattle, Wash.

Youngwood Electronic Metals, Inc.
April 13, 1961 filed 75,000 shares of common stock. **Price**—$4 per share. **Business**—The design, development and manufacture of precision parts or stampings principally used in the semi-conductor industry. **Proceeds**—For the repayment of debt; inventory; research and development, and working capital. **Office**—204 North Fifth Street, Youngwood, Pa. **Underwriters** — Bruno-Lenchner, Inc., Pittsburgh and Amos Treat & Co., New York City. **Offering**—Expected in June.

Yuscaran Mining Co.
May 6, 1960 filed 1,000,000 shares of com. stock. **Price—$1 per share. Proceeds—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. Office—6815 Tordera St., Coral Gables, Fla. Underwriter—None. Note—The SEC has challenged the accu**racy and adequacy of this statement. On May 4, 1961, the company reported that it was negotiating a merger **with another company and that financing plans have been indefinitely postponed.**

★ Zurn Industries, Inc.
May 25, 1961 filed 175,000 shares of common stock, of which 71,530 shares are to be offered for public sale by the company and 103,470 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The design, development, manufacture and sale of mechanical power transmission equipment, hydromechanical piping devices and industrial pipe line straining mechanisms. **Proceeds**—For new equipment, and working capital. **Office**—2214 West 8th St., Erie, Pa. **Underwriter**—Lee Higginson Corp., New York City (managing).

Prospective Offerings

A. T. U. Productions, Inc.
March 15, 1961, it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To finance production of TV films. **Office** — 130 W. 57th Street, New York City. **Underwriter**—Marshall Co., 40 Exchange Place, New York City.

Alabama Great Southern RR (6/28)
May 24, 1961 it was reported that this road plans to file a financing plan with the ICC on or about June 12 covering the proposed issuance of $5,500,000 of mortgage bonds. **Offices**—Birmingham, Ala., and 70 Pine St., New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; First Boston Corp. **Bids**—Expected to be received on June 28.

All American Airways Co.
May 1, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 shares of common stock. **Price**—$4 per share. **Office**—Danbury, Conn. **Underwriter**—Edward Lewis Co. Inc., New York City (managing).

American Export Lines, Inc.
May 3, 1961 it was reported that this company plans to sell $18,400,000 of government insured merchant marine bonds due Sept. 1, 1985. **Business**—The company operates passenger and cargo vessels between New York City and the Great Lakes to the Mediterranean and Red Sea Ports, India and Burma. **Proceeds**—To cover 75% of the cost of four new vessels now under construction. **Office**—39 Broadway, New York City. **Underwriter**—Kuhn, Loeb & Co., New York City.

• American Missiltronics Inc.
May 10, 1961 it was reported that this corporation is planning to register shortly 125,000 shares of common stock. **Price**—$4 per share. **Business**—The issuing firm is a holding company for Jersey Packing Co. and a closed-circuit television camera manufacturer. **Proceeds**—For general corporate purposes, including the production of the TV camera. **Offices**—136 Orange St. and 49 Edison Place, both in Newark, N. J. **Underwriter**—T. M. Kirsch & Co., New York City. **Registration**—Imminent.

• Arizona Public Service Co.
May 26, 1961 it was reported that this company is considering the sale of about $5,000,000 of preferred stock this summer and about $35,000,000 of first mortgage bonds in November. **Proceeds**—For construction. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be named. The last sale of preferred stock on June 18, 1958 was made privately through Blyth & Co., and the First Boston Corp. The last sale of bonds on March 26, 1959 was also handled privately through Blyth & Co., and First Boston Corp. However, the company stated that there is a possibility that these bonds will be sold at competitive bidding, in which case the following are expected to bid on them: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; First Boston Corp.; Blyth & Co.; White, Weld & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc.

Audio-Visual Teaching Machines, Inc.
May 24, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The manufacture and distribution of teaching machines, language laboratories and program texts. **Proceeds**—For expansion. **Office**—Suite 405, 1025 Connecticut Ave., N. W., Washington, D. C. **Underwriters**—To be named.

★ Beam-Matic, Inc.
May 24, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 shares of common stock. **Price**—$3 per share. **Business**—The manufacture and sale of hospital equipment. **Office**—25-11 49th Street, Astoria, L. I., N. Y. **Underwriter**—First Weber Securities Corp., New York City.

Brockton Edison Co.
May 3, 1961 it was reported that this subsidiary of Eastern Utilities Associates is considering the refinancing of its $3,000,000 outstanding preferred with $4,000,000 of a lower dividend issue. **Office**—36 Main Street, Brockton, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Kuhn, Loeb & Co., and Stone & Webster Securities Corp.

California Electric Power Co. (7/12)
May 24, 1961 it was reported that this company plans to sell $8,000,000 of first mortgage bonds due 1991. **Proceeds**—For the repayment of bank loans. **Office**—2885 Foothill Blvd., San Bernardino, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—To be received on July 12 at 9 a.m. (PST) at the office of O'Melveny & Myers, Room 900, 433 South Spring St., Los Angeles, Calif.

Canada Dry Corp.
May 16, 1961 it was reported that this company plans to offer stockholders the right to subscribe to an undisclosed amount of debentures. An SEC registration statement is expected to be filed in June and the anticipated record date for those entitled to subscribe is July 11. **Business**—The manufacture and distribution of carbonated and alcoholic beverages, extracts and syrups in the U. S. and Canada. **Office** — 100 Park Ave., New York City. **Underwriter**—To be named. The last rights offering (of common stock) on Aug. 25, 1958 was underwritten by Eastman Dillon, Union Securities & Co., Hornblower & Weeks, and Winslow Cohu & Stetson, all of New York City.

Carbonic Equipment Corp.
Dec. 8, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co., Inc.

Consumers Power Co. (8/15)
May 24, 1961 it was reported that this company plans to sell $40,000,000 of first mortgage bonds in August. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriter** — To be determined by competitive bidding. Probable bidders Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Harriman Ripley & Co., and First Boston Corp. (jointly); Morgan Stanley & Co. **Bids**—Expected to be received about August 15.

Cosmetic Chemicals Corp.
May 10, 1961 it was reported that this firm expects to register 100,000 shares of 1¢ par common stock. **Price**—$4 per share. **Business** — The firm manufactures perfumes, cosmetics, and hair dyes. **Proceeds**—For general corporate purposes. **Office**—5 East 52nd St., New York City. **Underwriter**—Nance-Kieth Corp., 99 Wall St., New York 5, N. Y.

Cosmetically Yours, Inc.
May 16, 1961 it was reported that this corporation is contemplating a public offering. **Business**—The manufacturing and sale of cosmetics. **Office** — 15 Clinton Street, Yonkers, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., New York City.

Cowles Magazine & Broadcasting, Inc.
May 3, 1961 it was reported that this corporation will issue stock later this year. The firm denied the report. **Business** — Publishing and allied fields. **Office** — 488 Madison Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Denver & Rio Grande Western R.R. (6/6)
May 22, 1961 it was reported that this road will sell $1,230,000 of equipment trust certificates, series Z, dated July 1, 1961 and due in 15 annual instalments to July 1, 1976. **Proceeds**—For the purchase of additional freight cars. **Office**—1531 Stout St., Denver 2, Colo. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and Salomon Brothers & Hutzler. **Bids**—To be received at the company's Denver office on June 6 at noon (MT).

Fashion Flair Stores, Inc.
April 27, 1961 it was reported that this company plans shortly a "Reg. A" covering 86,350 shares of common stock. **Price**—$3 per share. **Business**—The discount sale to consumers of women's dresses and sportswear. **Proceeds**—For general corporate purposes. **Office**—53 West 36th St., New York City. **Underwriters**—Ronwin Securities Corp., Staten Island, N. Y., and Security Options Corp., New York City.

Gabriel Co.
April 27, 1961, the company announced plans to form a new subsidiary, Rocket Power, Inc., by merging the present Rocket Power, Talco and Bohanan divisions. In the fall of 1961, stock of the new subsidiary would be offered through subscription rights to Gabriel stockholders and debenture holders with about 20% of the offering going to the public. **Office** — 1148 Euclid Avenue, Cleveland, Ohio. **Underwriters**—To be named. The last financing by the company in September, 1959, was handled by Carl M Loeb, Rhoades & Co., New York City and Prescott, Shepard & Co., Inc., Cleveland.

Gas Service Co.
April 19, 1961, the company reported that on April 18 stockholders voted to authorize a new issue of 150,000 shares of preferred stock (par $100). The company is considering the sale of between $5,000,000 to $7,500,000 of preferred and may issue some bonds at the same time. **Office** — 700 Scarritt Bldg., Kansas City, Mo. **Underwriters**—To be named. The company has never issued preferred stock, but the last sale of common on April 19, 1954 was handled by Kuhn, Loeb & Co., Eastman Dillon, Union Securities & Co., Reynolds & Co., and Allen & Co. The last sale of bonds on July 6, 1958 was made privately through Eastman Dillon, Union Securities & Co., New York City and Stern Brothers & Co., Kansas City, Mo.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

Gluckin (Wm.) & Co., Inc.
April 19, 1961 it was reported that this subsidiary of Essex-Universal Corp., plans to sell about 200,000 common shares. **Business**—Manufactures and sells women's foundation garments. **Underwriter**—To be named.

Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec. 7, 1961.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

★ Hupp Systems, Inc.
May 31, 1961 it was reported that a "Reg. A" will be filed shortly covering an initial offering of this firm's common stock. **Business**—The design, manufacture and sale of fiberglass sprayup systems and other reinforced plastic resin equipment. **Proceeds**—For general corporate purposes. **Office**—Sarasota, Fla. **Underwriter**—To be named.

Illinois Terminal RR.
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

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International Parts Corp.
April 17, 1961 it was reported that a registration will be filed shortly covering an undisclosed number of outstanding common shares. **Business**—Manufactures automobile equipment and "Midas Mufflers." **Office**—Chicago, Ill. **Underwriter**—H. M. Byllesby & Co., Chicago (managing).

● **Interstate Department Stores, Inc.**
May 24, 1961, Murray D. Safanie, chairman, stated that the company is considering the issuance of about $6,00,-000 of convertible subordinated debentures, late this summer. **Office**—111 Eighth Ave., New York City.

John's Bargain Stores Corp.
May 17, 1961 it was reported that this company plans to file a registration statement shortly covering an undisclosed number of common shares. **Business**—The operation of a chain of discount stores selling household goods. **Office**—1200 Zerega Ave., Bronx, N. Y. **Underwriter**—To be named.

● **Macrose Industries**
May 2, 1961 it was reported that this company, formerly named Macrose Lumber & Trim Co., Inc., plans a full filing of about 500,000 common shares (par $1). **Business**—The company owns a chain of lumber yards on Long Island. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y. **Underwriter**—To be named. **Offering**—Expected in July.

Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

★ **Micro-Lectric, Inc.**
May 23, 1961 it was reported that this company plans to file a registration statement shortly covering 55,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The manufacture and design of potentiometers used in computers, ground control guidance systems and missiles. **Proceeds**—For general corporate purposes. **Office**—Roosevelt, L. I., N. Y. **Underwriter**—Underhill Securities Corp., 19 Rector St., New York City.

Mississippi Power Co. (9/28)
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Bids**—Expected to be received on Sept. 28.

Mite Corp.
April 27, 1961 it was reported that this company, recently formed through a merger of Teleprinter Co., and Grist Manufacturing Co., plans to sell about 400,000 shares of common stock to raise approximately $5,000,-000. **Office**—446 Blake St., New Haven, Conn.. **Underwriter**—Charles W. Scranton & Co., New Haven.

National Airlines, Inc.
May 8, 1961, it was reported that the CAB had approved the company's plan to sell publicly 400,000 shares of Pan American World Airway's Inc., subject to final approval of the Board and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during thier respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price** — About $20 per share. **Proceeds**—To repay a $4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

National Hospital Supply Co., Inc.
May 1, 1961 it was reported that a "Reg. A" will be filed shortly covering 100,000 shares of common stock. **Price**—$3 per share. **Business**—The distribution of medical equipment. **Office**—38 Park Row, New York City. **Underwriter** — Edward Lewis Co. Inc., New York City (managing).

Northern Natural Gas Co.
March 15, 1961, the company reported that it expects to raise about $80,000,000 of new money in 1961. Present plans are for issuance of about $30,000,000 of debentures by mid-year and an additional $30,000,000 to $35,000,000 of debentures by year-end. It is also expected that some $12,000,000 to $15,000,000 of common stock will be sold to stockholders through subscription rights in September or October. **Proceeds**—For construction. **Office**—2223 Dodge St., Omaha 1, Neb. **Underwriter** — Blyth & Co., New York City (managing).

Northern States Power Co. (8/8)
Jan. 10, 1961 it was reported that this company plans to sell $20,000,000 of bonds in the third quarter of 1961. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co., Inc. (jointly). **Bids**—Expected to be received on Aug. 8.

Pan American World Airways, Inc.
May 8, 1961 it was reported that the CAB ordered this company to sell its 400,000 share holdings of National Airlines, Inc., and to file a plan of sale with the board within 30 days. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each other's jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Office**—135 East 42nd St., New York City. **Underwriter**—To be named.

Redwing Carriers, Inc.
May 23, 1961 it was reported that this company plans to file a plan with the ICC covering a proposed sale by certain stockholders of $1,500,000 to $2,000,000 of common stock. **Business**—A truck, tank car transporter. **Proceeds**—For the selling stockholders. **Office**—Tampa, Fla. **Underwriter**—Beil & Hough, Inc., St. Petersburgh, Fla. **Offering**—Expected about mid-August.

Rochester Gas & Electric Corp. (9/27)
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp. **Bids**—To be received about Sept. 27.

★ **Scully Inc.**
May 31, 1961 it was reported that a "Reg. A" will be filed shortly covering 100,000 shares of common stock. **Price**—$3 per share. **Business** — The manufacture and sale of precision recording equipment. **Proceeds** — For expansion. **Office**—Bridgeport, Conn. **Underwriter**—Moran & Co., Newark, N. J.

Sel-rex Corp.
May 16, 1961 it was reported that this firm is contemplating its first public financing. **Business** — Precious metals manufacturing. **Office**—75 River Road, Nutley, N. J. **Underwriter**—To be named.

★ **Sjostrom Automation, Inc.**
May 31, 1961 it was reported that a full filing will be made shortly covering 70,000 shares of class A common stock. **Business** — The design, manufacture and sale of electronically controlled automation devices. **Proceeds**—Gor general corporate purposes. **Office**—Boca Raton, Fla. **Underwriter**—To be named.

★ **Southern California Edison Co.**
May 23, 1961 it was reported that this company will need an additional $35,000,000 to finance its 1961 construction program. No decision has yet been made as to whether the funds will be raised by bank loans, or the sale of preferred stock or bonds. **Office**—601 West Fifth St., Los Angeles, Calif. **Underwriter**—To be named. The last sale of preferred stock on May 12, 1948 was handled on a negotiated basis by First Boston Corp., New York City and associates. The last sale of bonds in April 1961 was bid on by Blyth & Co.; First Boston Corp., Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Equitable Securities Corp. (jointly).

● **Spectron, Inc.**
May 23, 1961 it was reported that this company, a successor to F. Hastings Stephens Laboratories, Inc., plans to sell 85,000 shares of class A common stock. **Price**—$4.50 per share. **Business**—The design, development and manufacture of electronic systems, instruments and equipment including microwave, radar and underwater communication devices. **Proceeds**—For equipment, and working capital. **Office**—9001 S. W. 64th Court, S. Miami, Fla. **Underwriter** — Hampstead Investing Corp., New York City. **Registration**—Expected in mid-June.

Sterile Medical Products, Inc.
May 15, 1961 it was reported that this firm plans to file 120,000 shares of 10c par common stock. **Price**—$2.50 per share. **Proceeds** — For general corporate purposes. **Office** — 434 Buckelew Ave., Jamesburg, N. J. **Underwriter** — Louis R. Dreyling & Co., Inc., 25 Livingston Ave., New Brunswick, N. J. **Offering**—Expected in July or August.

Tennessee Valley Authority (6/28)
May 24, 1961, it was reported that this U. S. Government body plans to sell $50,000,000 of bonds. **Office**—Knoxville, Tenn. **Underwriters**—To be determined by competitive bidding. Probable bidders: The Chase Manhattan Bank, Morgan Guaranty Trust Co. of New York, Chemical Bank New York Trust Co., C. J. Devine & Co., all of New York City and the Northern Trust Co., Chicago; Blyth & Co., Inc.; Halsey, Stuart & Co. Inc.; The First Boston Corp. **Bids**—To be received in New York City on June 28.

Trinity Funding Corp.
May 23, 1961 it was reported that a registration statement will be filed shortly covering 250,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Business**—A consumer and industrial finance company. **Proceeds** — For additional working capital. **Office** — 1107 Broadway, New York City. **Underwriter**—Trinity Securities Corp., 40 Exchange Place, New York City. **Offering**—Expected in early July.

Trunkline Gas Co.
March 8, 1961 it was reported that this subsidiary of Panhandle Eastern Pipe Line Co., expects to sell about $50,000,000 of bonds or preferred stock in September. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Union Electric Co.
May 24, 1961 it was reported that this company plans to raise $30,000,000 of new money this summer by debt financing or sale of preferred stock. **Proceeds**—For expansion. **Office**—315 N. 12th Blvd., St. Louis 1, Mo. **Underwriters**—To be determined by competitive bidding. Probable bidders: (Preferred) First Boston Corp.; Dillon Read & Co. Inc.; Lehman Brothers; White, Weld & Co.; Blyth & Co., Inc.; Kuhn, Loeb & Co.; Harriman Ripley & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc. (Bonds) First Boston Corp.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brotners and Bear, Stearns & Co. (jointly).

United Aircraft Corp.
Feb. 15, 1961 it was reported that this company is considering issuance of $50,000,000 of bonds to replace a seven-year term loan. **Office**—400 Main St., East Hartford, Conn. **Underwriter**—To be named. The company has never issued bonds, but its last offering of preferred stock on Sept. 17, 1956 was underwritten by Harriman Ripley & Co., Inc., New York and associates.

Universal Oil Products Co.
Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

Universal Publishing & Distributing Corp.
May 10, 1961 it was reported that this company is considering the issuance of common stock. **Business**—Magazine publishing. **Office**—117 E. 31st Street, New York City. **Underwriter**—Allen & Co., New York City.

Virginia Electric & Power Co. (12/5)
March 23, 1961, the company announced plans to sell $15,000,000 of securities, possibly bonds or debentures. **Office** — Richmond 9, Va. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. **Bids**—To be received on Dec. 5, 1961.

West Coast Telephone Co.
April 11, 1961 it was stated in the 1960 annual report that the company plans to spend $12,000,000 for new construction in 1961, most of which is expected to be raised by the sale of securities. **Office**—1714 California St., Everett, Wash. **Underwriter**—To be named. The last sale of bonds and preferred stock in May and July 1960 was done privately. The last sale of common on Sept. 16, 1960 was underwritten by Blyth & Co., Inc., New York City.

West Penn Power Co.
Feb. 10, 1961, J. Lee Rice, Jr., President of Allegheny Power System, Inc., parent company, stated that West Penn expects to sell about $25,000,000 of bonds in 1962. **Office** — 800 Cabin Hill Drive, Hempfield Township, Westmoreland County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers; Eastman Dillon, Union Securities & Co., and First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

Western Union Telegraph Co.
Feb. 28, 1961 it was reported that the FCC has approved the company's plan to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by Western Union International of about $4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. in units of $100 of debentures and 10 shares of stock. In addition, American Securities Corp., New York City, would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. Then Western Union Telegraph woud purchase 250,000 shares of class B stock for $100,000 and WUI would sell $4,-500,000 of debentures or bonds. **Office** — 60 Hudson Street, New York City. **Underwriter**—American Securities Corp. (managing).

Wisconsin Power & Light Co.
Jan. 19, 1961 it was reported that this company plans to sell about $6,500,000 of preferred stock in the third quarter of 1961. **Proceeds**—For expansion. **Underwriters**—The last sale of preferred stock in May, 1958 was handled by Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (jointly).

Wisconsin Southern Gas Co.
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office** — Sheridan Springs Road, Lake Geneva, Wis. **Underwriter**—The Milwaukee Co., Milwaukee, Wis. (managing).

Zayre Corp.
March 24, 1961, Stanley H. Feldberg, President, stated that this company may require additional financing in the near future. The type of security to be sold has not been decided upon but the company is considering the issuance of debentures or common stock. **Business**—The operation of self-service discount department stores, principally in the east and south. **Proceeds**—For expansion. **Office**—Natick, Mass. **Underwriter**—To be named.

Businessman's BOOKSHELF

Aptitude Testing of Personnel—Brochure describing methods of minimizing errors in personnel selection and executive promotion—Personnel Psychology Center, 315 Fifth Avenue, New York 16, N. Y. (free on request on business letterhead).

Board of Trade of the City of Chicago — 103rd annual report — Board of Trade, Chicago, Ill. (cloth).

Business Side of the Bahamas 1950-1960—First Research Corporation of Miami, Fla., 2500 S. W. Third Avenue, Miami 36, Fla. (paper).

Changing Position of Afghanistan in Asia — Henry A. Byroade—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 15¢.

City of Chelsea — Town and City Monograph — Massachusetts Department of Commerce, 150 Causeway Street, Boston 14, Mass. (paper).

Commercial Credit Insurance as a Management Tool—Clyde William Phelps—Commercial Credit Company, 300 St. Paul Place, Baltimore 2, Md. (available to university professors on request).

Commonwealth of Pennsylvania—Monthly bulletin on internal affairs—Department of Internal Affairs, State Capitol, Harrisburg, Pa. (paper), on request.

Constantine Plan for Algeria: Opening New Frontiers in Development — Press & Information Service, French Embassy, 972 Fifth Avenue, New York, N. Y.

Cooperation for Progress in Latin America — Committee for Economic Development, 711 Fifth Avenue, New York 22, N. Y. (paper), $1.

Defense Procurement and Small Business—A Survey of Practices and Opinions of Small Business Firms Selling to Defense Programs—Albert N. Schrieber, Sumner Marcus, Robert A. Sutermeister, and Edward G. Brown—University of Washington, College of Business Administration, Seattle 5, Wash. (cloth), $3.75.

Direct Verification for Smaller Banks — A new manual to help banks guard against losses through staff defalcations—American Bankers Association, 12 East 36th Street, New York 16, N. Y. (paper), $1.

Easy to Use Guide to Successful Investment — A practical handbook on securities, estate planning and retirement — Carlos S. Mundt—Grosset & Dunlap, Inc., New York 10, N. Y. (paper), $1.95.

Economics of Asphalt and Concrete for Highway Construction—Report of Stanford Research Institute—American Petroleum Institute, 1271 Avenue of the Americas, New York 20, N. Y., (paper).

Educator's Guide to Textbooks—Text-Workbooks, Supplementary Readers, Guidance Materials, and Professional books for Elementary and High Schools—Bobbs-Merrill Company, Inc., 1720 East 38th St., Indianapolis 6, Ind. (paper).

European Community—Bulletin—European Community Information Service, 236 Southern Building, Washington 5, D. C. (paper).

Financing the Natural Gas Industry: Role of Life Insurance Investment Policies — Richard W. Hooley—Columbia University Press, 2960 Broadway, New York 27, N. Y. (cloth), $6.50.

First 100 Days of the Kennedy Administration — Illustrated — Simon & Schuster, 630 Fifth Avenue, New York 20, N. Y. (paper), $1.95.

Full Disclosure—The Play on Operation of "Boiler Rooms" as presented on the Armstrong Circle Theatre—Argonaut Books, Inc., 2 East Avenue, Larchmont, N. Y. (paper), $1.95; (cloth), $3.95.

Greatest Challenge of All—Aid to Underdeveloped Countries — Paul Hoffman — Public Affairs Committee, Inc., 22 East 38th Street, New York 16, N. Y. (paper), 25 cents.

Guide to Current Techniquest in Financing—Maxwell J. Mangold—Pilot Publishers, New York.

Handbook of Commerce & Industry in Nigeria—Fourth Edition—A. J. E. Davis, Crown Agents' Representative, 3100 Massachusetts Avenue, N. W., Washington 8, D. C., $2.50.

IAEA Research Projects—Summary of research contracts awarded and supported by the International Atomic Energy Agency—U. S. Atomic Energy Commission, Washington 25, D. C. (paper).

International Position of the Dollar—Committee for Economic Development, 711 Fifth Avene, New York 22, N. Y. (paper), $1.

Investment Companies Charts & Statistics, 1961 — Arthur Wiesenberger & Company, 61 Broadway, New York 6, N. Y. (loose-leaf bound) $25.

Management International — New publication in four languages designed to serve the needs for international exchange of experience on questions of business economy and management — Adolph E. Grunewald, Secretary-Treasurer, Management International, Graduate School of Business Administration, Michigan State University, East Lansing, Mich., $10 per year (exclusive of postage).

National Real Estate Guide—Featuring Florida, the South and New England — Picture Book of Fine Properties for Sale—Previews Incorporated, 49 East 53rd Street, New York 22, N. Y. (paper), $1.

National Survey of Professional, Administrative Technical and Clerical Pay, Winter 1959-60—covering 77 job categories—U. S. Department of Labor, Bureau of Labor Statistics, 341 Ninth Ave., New York 1, N. Y., 35¢.

New England — Quarterly Inventory of Economic Research—Research Department Library, Federal Reserve Bank, Boston, Mass. (paper).

Output, Input and Productivity Measurement: Studies in Income and Wealth (Vol. 25) — National Bureau of Economic Research—Princeton University Press, Princeton, N. J. (cloth), $10.

Possibilities for Establishing Foreign Companies in the Netherlands—Rotterdamsche Bank N. V., Rotterdam, Netherlands (paper).

President Kennedy's Inter-American Program for Social Progress—Questions and answers—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 15¢.

Quebec Statistical Year Book, 1960—Quebec Bureau of Statistics, Quebec, Canada (cloth).

Radioisotopes in World Industry: Abstracts of Selected Foreign Literature — Office of Technical Services, U. S. Department of Commerce, Washington 25, D. C., $2.50.

Republic of Dahomey—Brochure—French Embassy, Press & Information Service, 972 Fifth Ave., New York, N. Y. (paper).

Research in New York State—Illustrated Brochure — New York State Department of Commerce, 112 State Street, Albany 7, N. Y. (paper).

Salesman's New Complete Ideas Handbook: Containing more than a thousand sales techniques and ways of handling difficult customers—Emille Raux—Prentice-Hall Inc., Englewood Cliffs, N. J. (cloth), $4.95.

Savings & Home Financing Chart Book, 1961—Graphic Presentations of Data on Savings and Home Financing — Federal Home Loan Bank Board, Washington, D. C. (paper).

Southern Economic Growth—Selected Essays—Federal Reserve Bank of Atlanta, Atlanta, Ga. (paper), on request.

Spanish Industry—Descriptive Book Elaborately Illustrated in Color — Banco de Vizcaya, Gran Via, 1, Bilbao, Spain.

Triumph of Gold—Charles Rist—Translated from the French and with an introduction by Philip Cortney — Philosophical Library, Inc., 15 East 40th Street, New York (cloth), $4.

Valarie Scorby and the Big Port—A Novel of Big Business in Texas and the City of Houston—Roy Bradford—Lone Star Publishing Co., Box 2270 Grand Central Station, New York 17, N. Y. (cloth), $4.50.

$100 Million Notes Of Fed. Home Loan Banks Offered

Public offering of $100,000,000 Federal Home Loan Banks 3% non-callable consolidated notes dated June 15, 1961 and due March 15, 1962 was made June 1 by the Federal Home Loan Board through Everett Smith, Fiscal Agent of the Home Loan Banks, and a group of securities dealers. The notes are priced at 100%.

Net proceeds from the offering will be added to funds available for home construction mortgage loans to members of the Home Loan Bank System.

Upon issuance of the notes, outstanding indebtedness of the Home Loan Banks will amount to $1,055,075,000.

DIVIDEND NOTICES

Allegheny Ludlum Steel Corporation
Pittsburgh, Penna.

At a meeting of the Board of Directors of Allegheny Ludlum Steel Corporation held today, May 17, 1961, a dividend of fifty cents (50c) per share was declared on the Common Stock of the Corporation, payable June 30, 1961, to shareowners of record at the close of business on June 9, 1961.

S. A. McCASKEY, JR.
Secretary

AMERICAN CAN COMPANY
CANCO
PREFERRED STOCK

On May 23, 1961 a quarterly dividend of one and three-quarters per cent was declared on the Preferred Stock of this Company, payable July 1, 1961 to Stockholders of record at the close of business June 9, 1961. Transfer books will remain open. Checks will be mailed.

JOHN R. HENRY, *Secretary*

GEORGE W. HELME COMPANY
9 Rockefeller Plaza, New York 20, N. Y.

On May 31, 1961, a quarterly dividend of 43¾ cents per share on the Preferred Stock, and a dividend of 40 cents per share on the Common Stock, were declared, payable July 1, 1961, to stockholders of record at the close of business June 9, 1961.

P. J. NEUMANN, Secretary

ANACONDA

DIVIDEND NO. 212

May 25, 1961

The Board of Directors of **THE ANACONDA COMPANY** has today declared a dividend of Fifty Cents (50¢) per share on its capital stock of the par value of $50 per share, payable June 27, 1961, to stockholders of record at the close of business on June 5, 1961.

R. E. SCHNEIDER
Secretary and Treasurer
25 Broadway, New York 4, N. Y.

CANADA DRY

Canada Dry Corporation
DIVIDEND NOTICE

The following dividends have been declared by the Board of Directors:

Preferred Stock—A regular quarterly dividend of $1.0625 per share on the $4.25 Cumulative Preferred Stock, payable July 1, 1961, to stockholders of record at the close of business on June 15, 1961.

Common Stock—A quarterly dividend of $0.25 per share on the Common Stock, of the value of $1.66⅔ per share payable July 1, 1961, to stockholders of record at the close of business on June 15, 1961.

Transfer books will not be closed. Checks will be mailed.

J. W. REILLY, *Vice Pres. & Secy.*

ELECTRIC BOND AND SHARE COMPANY
New York, N. Y.

Notice of Dividend

The Board of Directors has declared a quarterly dividend of thirty cents (30¢) a share on the Common Stock, payable June 29, 1961, to shareowners of record at the close of business on June 8, 1961.

B. M. BETSCH
Secretary and Treasurer
May 25, 1961.

TENNESSEE CORPORATION

May 15, 1961

A quarterly dividend of thirty-five (35¢) cents per share was declared payable June 23, 1961, to stockholders of record at the close of business June 8, 1961.

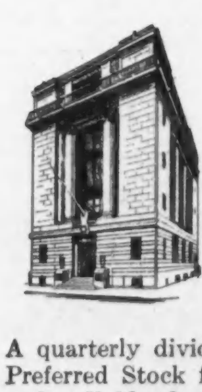
JOHN G. GREENBURGH,
61 Broadway *Treasurer*
New York 6, N. Y.

YALE & TOWNE
293rd Quarterly Dividend

37½¢ a Share
Payable:
July 1, 1961
Record date:
June 15, 1961
Declared:
May 25, 1961

Elmer F. Franz
Vice President and Treasurer

THE **YALE & TOWNE** MFG. CO.
Lock and Hardware Products since 1868
Materials Handling Equipment since 1875
Cash dividends paid every year since 1899



AMERICAN BANK NOTE COMPANY

PREFERRED DIVIDEND No. 221
COMMON DIVIDEND No. 211

A quarterly dividend of 75¢ per share (1½%) on the Preferred Stock for the quarter ending June 30, 1961 and a dividend of 30¢ per share on the Common Stock have been declared. Both dividends are payable July 1, 1961 to holders of record June 5, 1961. The stock transfer books will remain open.

LOUIS T. HINDENLANG
May 24, 1961 *Secretary and Treasurer*

SERVING HOME AND INDUSTRY WITH ESSENTIAL BASIC PRODUCTS

EASTERN GAS AND FUEL ASSOCIATES

DIVIDENDS

COMMON STOCK — A regular quarterly dividend of 40 cents a share, payable June 28, 1961 to shareholders of record June 16, 1961.

4½% CUMULATIVE PREFERRED STOCK — A regular quarterly dividend of $1.12½ a share, payable July 1, 1961 to shareholders of record June 16, 1961.

R. P. TIBOLT, *President*
250 Stuart St., Boston 16, Mass.
May 25, 1961.

Our stock is listed on the New York Stock Exchange. Symbol is EFU.

Pacific Gas and Electric Company

DIVIDEND NOTICE
COMMON STOCK
DIVIDEND NO. 182

The Board of Directors on May 17, 1961, declared a cash dividend for the second quarter of the year of 70 cents per share upon the Company's common capital stock. This dividend will be paid by check on July 15, 1961, to common stockholders of record at the close of business on June 13, 1961.

K. C. CHRISTENSEN,
Vice President and Treasurer
San Francisco, Calif.

P·G·and E·

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — A few evenings ago Secretary of Commerce and Mrs. Luther H. Hodges stood in a receiving line in a beautiful and spacious garden at Vienna, Va.

From the highway up to the lovely 200-year-old boxwood garden, 700 guests walked up a 250-yard red carpet where they were handed iced mint juleps preliminary to the Southern supper.

Mr. and Mrs. Elmer Andrews, long-time friends of former Governor and Mrs. Hodges, gave the big function in honor of the Cabinet officer and his wife. There was music and quartet singing and group singing in the garden, where the flowers glowed resplendently.

After the mint juleps the guests went down the food-laden tables in the gardens. The Andrews had put the "big pot in the little pot," which is a Southern expression for a big blow-out.

The guests, including other Cabinet officials and numerous VIPs, filled their plates with stuffed eggs and country ham, fried chicken, hot biscuit and beef barbecued right on the grounds of Boxley Hill.

Most Popular Cabinet Member

The guests topped the supper off with freshly baked chocolate brownies, hot coffee and nuts. Before many of the guests had left for their homes they had learned from Secretary Hodges that the economic picture is getting brighter all the time. Business is better in most all areas. Consumer buying is rising.

Secretary Hodges, the oldest Cabinet officer in the young Kennedy Administration, is one of the most popular of the Cabinet members. The former Governor of North Carolina was himself a successful businessman before he entered public life.

Mr. Hodges is out to sell the Department of Commerce to the American business men. He wants them and the people to know that the Department of Commerce is their department. He is speaking all over the country.

"In the four months I have been in Washington," said Secretary Hodges, "I have been impressed with the range and scope of the activities and responsibilities of the Department of Commerce in the national security area. Few realize that the Department of Commerce today represents the nation's largest non-military scientific capability. Within the Department are the research resources of the the National Bureau of Standards, the Weather Bureau, Coast and Geodetic Survey, Maritime Administration and the Bureau of Public Roads. The scientific work of these agencies touches much of the economy."

Population Upsurge

As Secretary Hodges is pointing out that the business tide is moving upward, another one of his divisions—the Bureau of Census — says that since the census was taken last year, the population of the United States has increased by more than 3,000,000 to a total in excess of 183,000,000.

A large display in the lobby of the Department of Commerce shows a running total of the population of the United States. Every 10½ seconds it adds one more to the total, reflecting that on the average the excess of births over deaths, adjusted for immigration and emigration, results in such an increase.

The way things are moving today and assuming there is no shooting war, the population during the current decade is going to increase in this country by the equivalent of the combined population of our two largest states, New York and California.

No one, of course, knows what is ahead for our country, but Commerce Department authorities point out that if we continue our present yearly growth rate the population is going to double in the United States.

Divergent Trends

Some of the trends in population growth in the United States, not previously brought out, are not only interesting to business but are highly significant. It has been pointed out many times that the 1960 census reported a population of 180,000,000, which during the 1950-60 decade represents the difference between about 41,000,000 births and 16,000,000 deaths, or a natural increase of 25,000,000.

Net immigration during the past decade also amounted to about 3,000,000 persons.

Two major trends stand out during the last 10 years; the movement to the West and the Southwest and the movement to the metropolitan areas, particularly the suburbs.

Certainly, one of the most significant changes in our pattern of living has been the concentration of people in cities. In 1890 the census reported that two-thirds of the population lived in rural areas. By 1950 the situation had been reversed with only one-third of our population living in rural areas, and that percentage declined further during the past decade.

The urban exceeds the rural population in 39 states. The preference is not only for urban areas, but for larger urban areas. By 1960 nearly two-thirds of the population lived in what was described as standard metropolitan areas. In most states this term refers simply to the cities of 50,000 and over, the counties in which they are located, and any adjoining county or counties closely related to the central city.

The Racial Disturbances

Because of the headlines of recent weeks involving racial flare-ups between extremists on both sides, there is more than usual interest in Washington concerning the Negro population of the United States. It is generally agreed that a greater distribution of the Negro population over the entire United States would be better for the Negro race because it would offer better job opportunities for the race.

The records of the Bureau of Census show that the Negro race now makes up about 10.5% of all Americans. They have been moving out of the Old South for years and years. During the past 10 years the migration has been accelerated.

With the exception of Florida, each Southern state had a net migration of Negroes out. The net movement from the 13 Southern states during the past decade was in excess of 1,500,000. The greatest migration was out of agricultural Mississippi, with more than 300,000 leaving the state. In addition, more than 100,000 left from each of six states, Alabama, Arkansas, Georgia, North Carolina, South Carolina and Virginia.

Except for Virginia, each of these states, plus Louisiana, had contributed more than 100,000 Negro migrants during the 1940-50 decade to Northern and Western cities.

The movement from the South was primarily from rural areas to industrial areas. As a result more than half of the Negro population in the United States is in metropolitan areas, and in the Northern states more than nine-tenths of all Negroes live in metropolitan areas, primarily in central cities.

New York state now leads all states in the total number of Negroes. Next are Texas, Georgia, North Carolina, Louisiana, and Illinois, each with more than 1,000,000 Negroes. States with from 750,000 to 1,000,000 Negroes are Alabama, Florida, Mississippi, South Carolina and Virginia. California, Ohio and Pennsylvania are close behind.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"When is the first round trip to the moon?—My husband said that's when that stock you sold me would pay a dividend."

COMING EVENTS

IN INVESTMENT FIELD

June 2, 1961 (Chicago, Ill.)
Bond Club of Chicago field day at Knollwood Club, Lake Forest, Ill.

June 2, 1961 (Connecticut)
Security Traders Association of Connecticut annual summer outing at Race Brook Country Club, Orange, Conn.

June 2, 1961 (New York City)
Bond Club of New York annual outing at Sleepy Hollow Country Club.

June 2, 1961 (Philadelphia, Pa.)
Philadelphia Securities Association annual outing at Aronimink Golf Club, St. Davids Road, Newtown Square, Pa.

June 7-11 (Ponte Vedra, Fla.)
Southern Group of Investment Bankers Association meeting.

June 8, 1961 (Cedar Rapids, Iowa)
Iowa Investment Bankers Association annual Field Day at the Cedar Rapids Country Club (preceded June 7 by a cocktail party and dinner reception at the Roosevelt Hotel).

June 8, 1961 (New York City)
STANY Bowling League annual dinner at Whyte's, 344 West 57th Street.

June 9, 1961 (Philadelphia, Pa.)
Investment Association of Philadelphia annual outing at the Philadelphia Cricket Club, Flourtown, Pa.

June 9, 1961 (New York City)
Municipal Bond Club of New York annual meeting and outing at the Westchester Country Club, Rye, N. Y.

June 9-11, 1961 (San Francisco, Calif.)
San Francisco Security Traders Association annual Spring Outing at the Sacramento Inn, Sacramento, Calif.

June 12-13, 1961 (Montreal, Canada)
Association of Canadian Schools of Commerce and Business Administration Fifth Annual Conference at Sir George Williams University, Montreal.

June 14-15, 1961 (Minneapolis-St. Paul, Minn.)
Twin City Bond Club 40th annual outing at the White Bear Yacht Club, White Bear Lake, Minn. June 15; preceded by a cocktail party June 14 at the Nicollet Hotel, Minneapolis.

June 15-16, (Kansas City, Mo.)
Kansas City Security Traders Association summer party—cocktail party June 15 at Hotel Continental; outing June 16 at Meadowbrook Country Club.

June 16, 1961 (New Jersey)
Bond Club of New Jersey spring outing at Upper Montclair Golf & Country Club.

June 16, 1961 (New York City)
Investment Association of New York annual outing at Sleepy Hollow Country Club.

June 17, 1961 (Milwaukee, Wis.)
Milwaukee Bond Club annual outing at Oconomowoc Country Club, Oconomowoc, Wis.

June 17-20, 1961 (California)
California Group of Investment Bankers Association annual conference at Santa Barbara, Calif.

June 22-25, 1961 (Canada)
Investment Dealers Association of Canada annual meeting at Jasper Park Lodge, Jasper, Alta.

June 23, 1961 (Boston)
Women's Municipal Bond Club annual outing at the New Ocean House, Swampscott, Mass.

June 23, 1961 (New York City)
Municipal Bond Women's Club outing at Morris County Golf Club, Convent Station, N. J.

June 24, 1961 (Chicago, Ill.)
Security Traders Association of Chicago annual summer outing at Nordic Hills Country Club.

June 30, 1961 (New York City)
Syndicate annual outing at Nassau Country Club, L. I., N. Y.

Sept. 8, 1961 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Sept. 13, 1961 (Denver, Colo.)
Rocky Mountain Group Investment Bankers Association meeting.

Sept. 14-15, 1961 (Cincinnati, Ohio)
Cincinnati Municipal Dealers Group annual fall outing at Queen City Club and Kenwood Country Club.

Sept. 15-17, 1961
Pacific Northwest Group of Investment Bankers Association, meeting at Hayden Lake, Idaho.

Sept. 20-21, 1961 (Omaha, Neb.)
Nebraska Investment Bankers' Association annual field day.